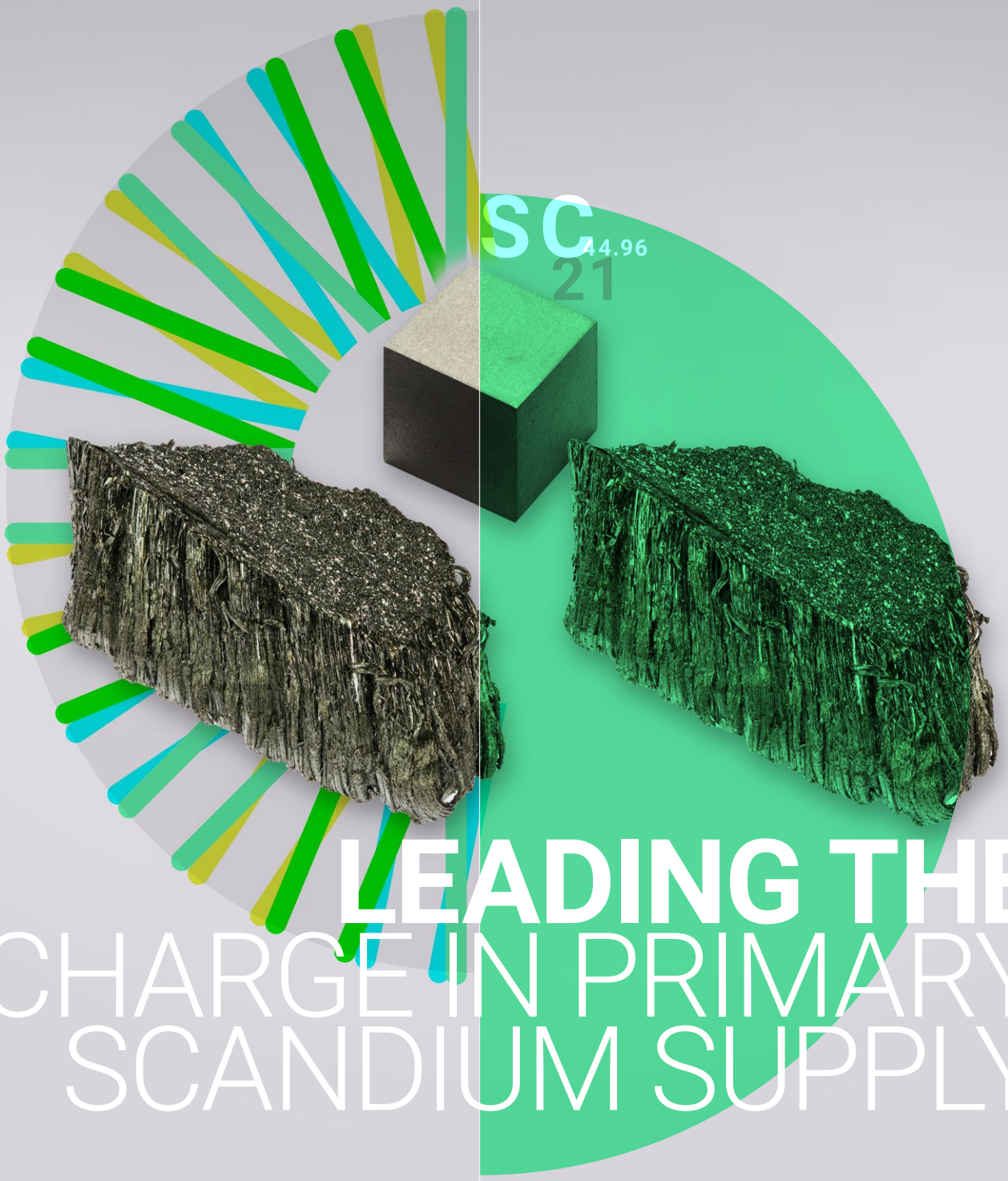
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sunrise
energy metals



LEADING THE CHARGE IN PRIMARY SCANDIUM SUPPLY

ANNUAL REPORT
2025

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ABOUT

sunrise energy metals

Sunrise Energy Metals Limited (ASX: SRL) is focused on developing the Syerston Scandium Project, one of the world's largest and highest-grade primary scandium resources. The Syerston Scandium Project is located in central-west NSW, adjacent to the Tier 1, development ready Sunrise Nickel-Cobalt Project, one of the largest and most cobalt rich nickel laterite deposits in the world. The Company is listed on the Australian Stock Exchange (ASX Code: SRL).

Forward Looking Statements: certain statements in this report may constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws. Such statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of Sunrise Energy Metals Limited or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict" and other similar terminology, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. These statements reflect Sunrise Energy Metals Limited's current expectations regarding future events, performance and results, and speak only as of the date of this report. Readers are cautioned not to place undue reliance on forward-looking information or statements. Although the forward-looking statements contained in this report are based upon what Sunrise Energy Metals Limited believes are reasonable assumptions, Sunrise Energy Metals Limited cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this report and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, Sunrise Energy Metals Limited does not assume any obligation to update or revise forward-looking statements contained herein to reflect events or circumstances occurring after the date of this report.

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Sunrise Energy Metals' 2025 Annual Report highlights the unparalleled opportunity presented by the Syerston Scandium Project.

This year's Annual Report focuses on our strategic position to develop and supply the world with primary scandium (Sc), a crucial rare earth element.

Sunrise's Syerston Scandium Project, home to the home to one of the world's largest and highest grade scandium (Sc) deposits, comprises multiple high-grade Sc zones that form the basis of a planned stand-alone mining and processing facility. Scandium's unique properties enhance high performance alloys, crucial for sectors like automotive, aerospace, and 3D printing. This enables the development of lighter, stronger and more functional materials. Furthermore, it is vital for advanced technologies such as fuel cells, semiconductors, and 5G/6G telecommunications hardware. As global demand for this strategic metal grows, the need for diversified supply chains increases, Sunrise Energy Metals is poised to become a key supplier, underpinning stable, reliable and scaleable supply for critical innovations worldwide.



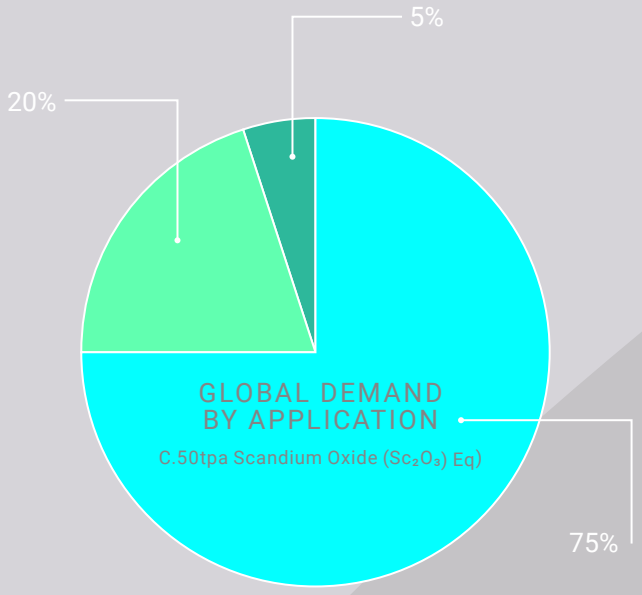
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SCANDIUM: POWERING THE NEXT

Scandium (Sc) is the lightest transition metal with exceptional atomic-level properties.

Scandium (Sc) is common in the earth's crust, but at very low concentrations. Its distinct outer shell electron structure has a potent ability to transform the properties of other elements and compounds, especially in aluminium and in piezoelectric and ferroelectric applications.

Scandium is typically produced via secondary methods such as waste reprocessing. A lack of primary scandium mines and a concern that the production of scandium cannot be up-scaled fast enough to meet new global demand, has to date limited its adoption by customers, despite its intrinsic value.



- **Solid oxide fuel cells** remain the largest end-use application, with steady growth forecast from AI roll-out and data centre construction.
- **Aluminium alloys** are extensively used in the automotive, marine and aerospace sectors. High performance aluminium scandium (AlSc) alloys are stronger, lighter and have more resistance to corrosion than traditional aluminium alloys.
- In **radio frequency (RF) filtering**, the piezoelectric properties of aluminium scandium nitride (AlScN) thin film makes it the material of choice in 5G/6G spectrum (>3GHz). Its ferroelectric properties also make it an emerging option for stable, low-energy flash memory at high temperature.

Fuel Cells

Al Alloys

Semi-conductors

Based on published data and company estimates

90%

Sc

Over 90% of world demand is from U.S. industry, for both civilian and defense applications.

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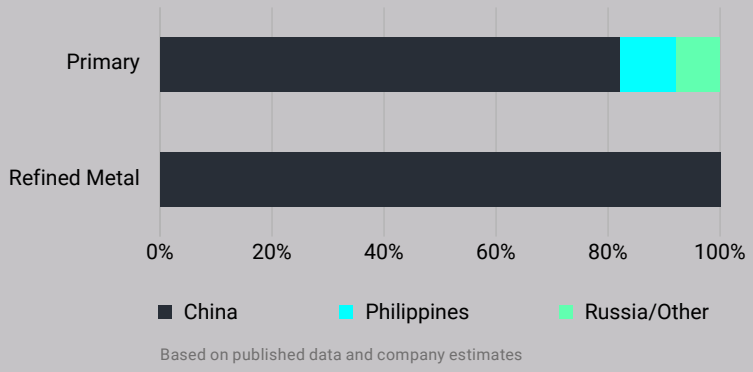
GENERATION OF TECHNOLOGY

Global supply by location

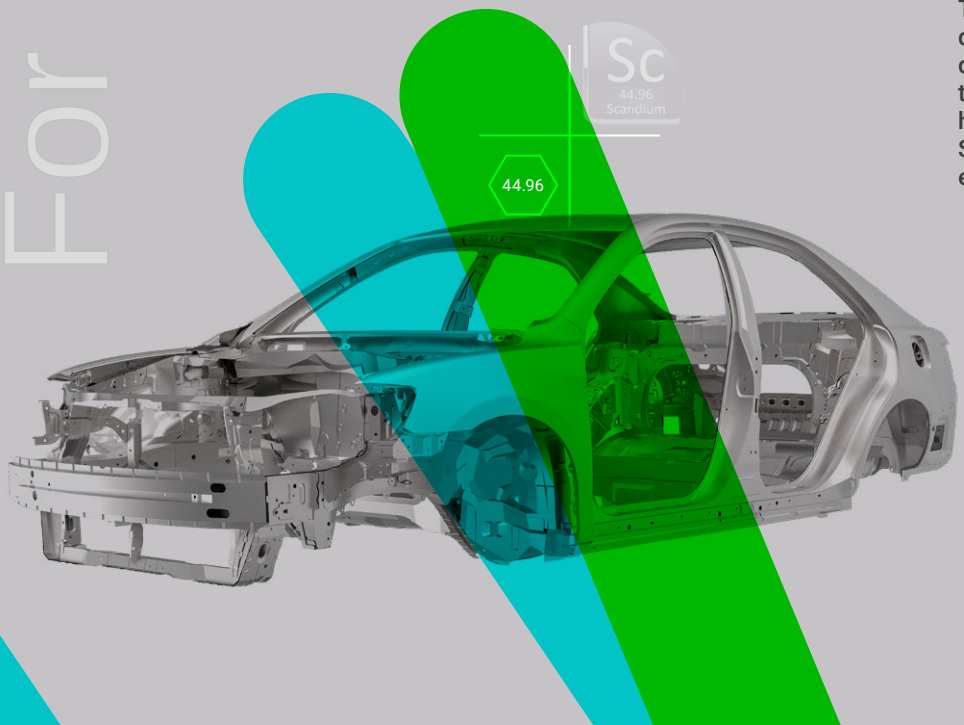
China's share of global scandium supply exceeds that of almost all strategic metals, including gallium, germanium, silicon and rare earths.

China has actively pursued a vertical integration strategy to control supply and pricing into western markets.

Higher tech applications require extremely pure refined metal, which currently can only be sourced from China.



Based on published data and company estimates



Geopolitics drives the outlook for scandium

U.S. trade announcements

United States (U.S.) tariffs announced during 2025 are likely to increase the landed cost of scandium in the U.S., especially scandium sourced from China.

In addition, legal requirements for U.S. defense-sector contractors to remove non-allied sources of raw materials supply from their supply chains has prompted interest in new supply sources.

Both developments present a unique opportunity for the Syerston Scandium Project.

China's response

In response to these U.S. policy initiatives, the Chinese Government has declared scandium a 'dual-use item' subject to strict export licensing controls.

This has been supplemented by additional restrictions on the transfer of intellectual property, engineering services and equipment related to strategic metals.

The result is the emergence of two rapidly diverging markets, requiring new and diversified sources of scandium supply to support strategic technologies and high-priority markets. We are positioning Syerston to be a cornerstone of this evolving trade landscape.

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SYERSTON: LOW COST, HIGH VALUE

Syerston Scandium Project

Leading the charge in primary scandium supply, the Syerston Project sits on a fully granted Mining Lease (Sunrise ML1770) near Fifield in central-west NSW. Key development permits have been secured and a forecast construction schedule of 24 months provides the opportunity to rapidly develop new supply.

Significantly advanced mining project with major milestones achieved, including key development permits, piloting and good community support.

Updated 2025 Mineral Resource Estimate (MRE) to support an updated Feasibility Study for a stand-alone scandium mine and processing facility in central-west NSW.

Offtake discussions progressing, the results of which will inform the design scope for the 2025 Feasibility Study.

Our ongoing investment in patented high-performance scandium alloys focuses on military, aerospace and automotive markets.

Focus is to develop a small, high-grade operation which can expand on the back of the significant global resource base.

Global scandium resources

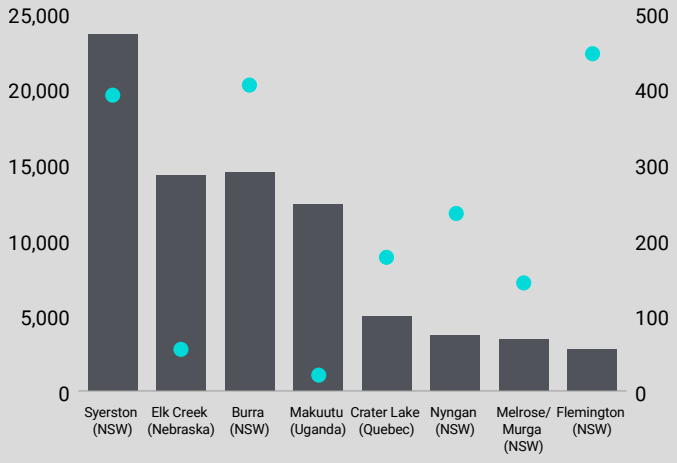
The discovery of high-grade scandium-bearing laterites in central-west NSW has provided the world with its first district-scale opportunity to develop mineable sources of scandium (Sc).

The Syerston Scandium Project is one of the largest, high-grade scandium resources in the world.

Ultimately, value is driven by identifying high-grade zones of mineralisation that will underpin low-cost development .

Once developed, the Project is well positioned to capitalise on demand growth in important technology markets.

Contained Scandium (Sc) in Mineral Resources and Grade

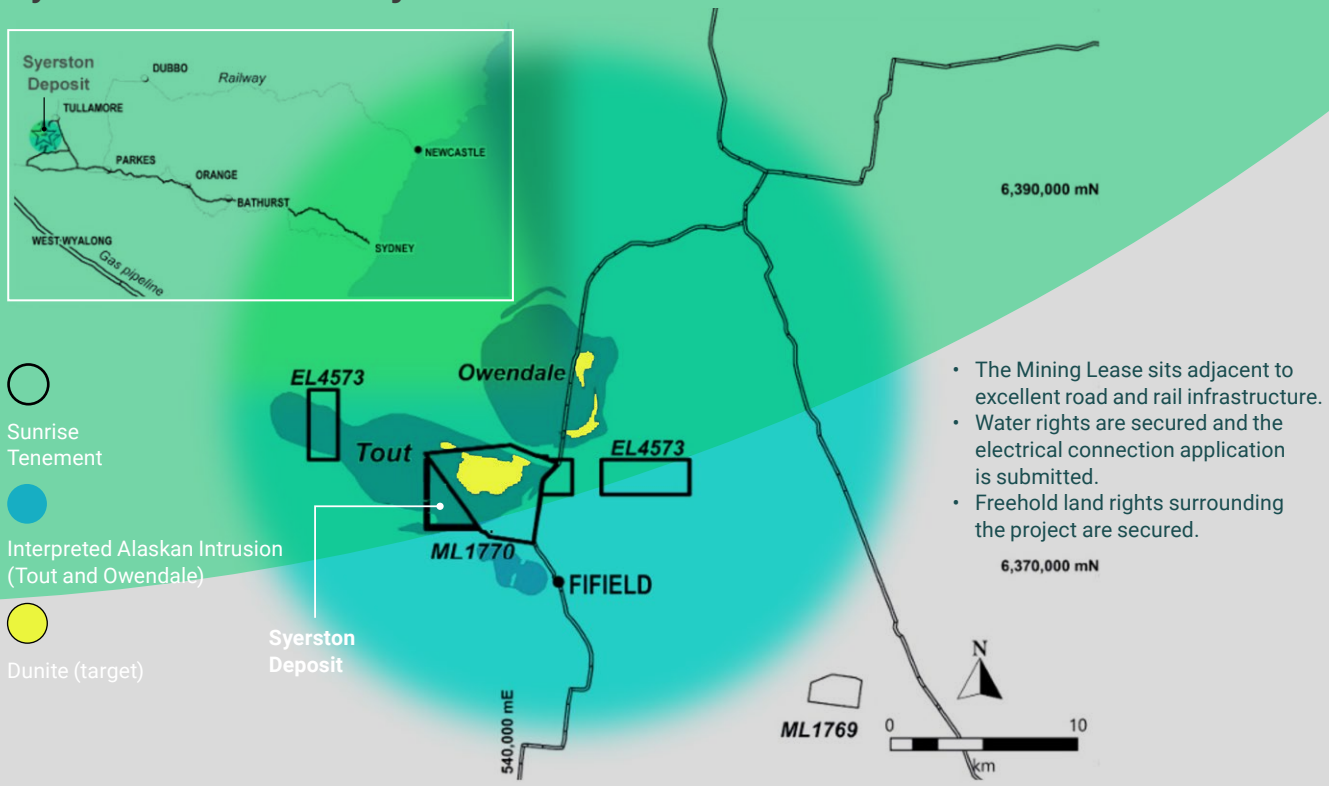


Source: See SRL ASX announcement of 7 March 2025 for source materials.

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SCANDIUM SUPPLY OPPORTUNITY

Syerston Scandium Project: location and infrastructure



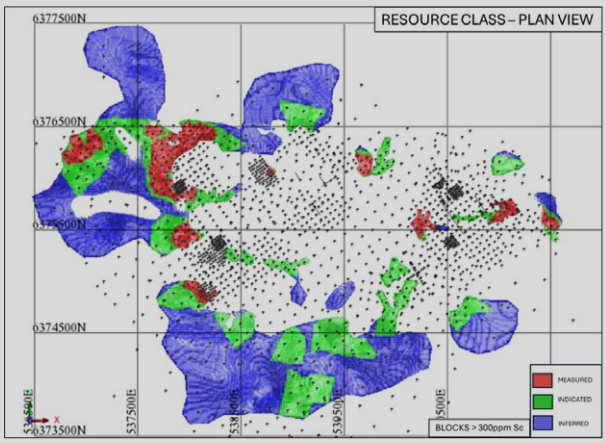
- The Mining Lease sits adjacent to excellent road and rail infrastructure.
- Water rights are secured and the electrical connection application is submitted.
- Freehold land rights surrounding the project are secured.

Drilling campaign – 2QCY25

The 2QCY25 drilling campaign identified multiple new areas of shallow, continuous, high-grade scandium mineralisation across the deposit, which remains open in multiple directions.

Data from the drilling campaign is expected to upgrade the Mineral Resource and Ore Reserve estimates, and add further definition to the mine plan and the updated Feasibility Study.

Syerston Scandium deposit drill hole locations and distribution of resource classification[1].



1. See SRL ASX announcement of 28 July 2025 for latest drilling results and JORC 2012 Tables.

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MESSAGE FROM THE CO-CHAIRMEN, MD & CEO

Dear Shareholders

The 2025 financial year was marked by growing geopolitical instability, heightened trade tensions, and increasing scrutiny over the resilience of global supply chains, particularly for critical and strategic minerals. The imposition of export restrictions on scandium by China in April 2025, following similar constraints last year on germanium and gallium, underscores the vulnerability of Western industries to concentrated supply sources.

Against this backdrop, and in response to the tightening global scandium market, the Company has pivoted its strategic focus towards the advancement of the Syerston Scandium Project.

Located adjacent to our Sunrise Nickel-Cobalt Project in central-west New South Wales, the Syerston Scandium Project has the potential to be a small-scale, high-grade, stand-alone scandium operation – delivering a clear, near-term pathway to production and cashflow. With extensive prior study work already completed and a growing resource from recent exploration success, we are well positioned to update the existing Feasibility Study, pursue funding support, and progress rapidly toward development.

While the scandium market today remains relatively niche, we believe its role in the global technology transition will be significant. Scandium is increasingly recognised as a critical enabler in the advancement of next-generation radio frequency semiconductor technologies, particularly as the world accelerates towards 5G/6G capable infrastructure. Furthermore, scandium-containing thin films are showing exciting promise in future flash memory applications due to their strong ferroelectric performance and high remnant polarisation.

The most significant growth potential, however, lies in scandium's application in a new class of high-performance aluminium alloys for the aerospace and automotive sectors. These alloys can dramatically improve strength-to-weight ratios, which is a compelling value proposition for industries focused on performance, efficiency, and emissions reduction.

For this reason, we continue to advance our alloy development programmes in conjunction with Michigan Tech and commercial partners. So far, this collaboration has yielded our unique, patented 6xxx-series aluminium-scandium alloys that deliver significant yield strength improvements of circa 90MPa (c. 33%) over standard aluminium alloys.

This is opening up new opportunities in automotive applications that are traditionally dominated by the high-strength steels. The importance of developing Western scandium supply chains has never been greater. China continues to dominate global production, and the need for cost-competitive, high-quality, primary supply from allied nations is growing rapidly. The designation in FY24 of Australia and the United Kingdom as "domestic sources" under the U.S. Defense Production Act is a strong signal of coordinated geopolitical commitment to the funding and building of secure, diversified supply chains for critical materials.

Our engagement with potential scandium offtake partners has been positive. We have received multiple expressions of interest and we will be working hard to convert these into binding agreements as we near completion of the updated Syerston Project Feasibility Study. These commercial discussions will be central to underpinning early-stage development and future financing.

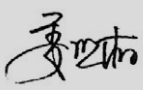
To support this strategic shift and to unlock the value of one of the world's largest and highest-grade scandium resources, in June 2025, the Company successfully completed a $7.5 million capital raise to existing and new investors. These funds will enable us to fast-track pre-development activities at the Syerston Scandium Project and capitalise on the growing urgency among end-users to secure stable, long-term scandium supply.

In closing, we thank our shareholders for their continued support, as well as the dedicated members of the Sunrise management team during a year of strategic realignment and renewed purpose. The Company is well-positioned to play a leading role in a market that is increasingly central to the next wave of technological and industrial innovation.

Yours sincerely,



Robert Friedland
Co-Chairman



Jiang Zhaobai
Co-Chairman



Sam Riggall
MD and CEO

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DIRECTORS' REPORT

For the year ended 30 June 2025

The Directors present their report, together with the financial statements, for the consolidated entity consisting of Sunrise Energy Metals Limited (referred to hereafter as the 'Parent Entity', the 'Company' or 'Sunrise Energy Metals') and the entities it controlled (referred to hereafter as the 'Consolidated Entity'), for the financial year ended 30 June 2025 ('financial year'), and the auditor's report thereon.

Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Robert Friedland (Co-Chairman and Non-Executive Director).

Jiang Zhaobai (Co-Chairman and Non-Executive Director).

Sam Riggall (Managing Director and Chief Executive Officer).

Stefanie Loader (Lead Independent Non-Executive Director).

Eric Finlayson (Independent Non-Executive Director).

Trevor Eton (Non-Executive Director).

Directors' Profiles

Name:	Mr Robert Friedland
Title:	Co-Chairman and Non-Executive Director
Qualifications:	Bachelor of Arts in Political Science from Reed College, Oregon, USA
Experience and Expertise:	Mr. Friedland was appointed Co-Chairman of Sunrise Energy Metals on 8 September 2016. During the past 30 years of his career, Mr. Friedland has founded and led two prominent, international mining entities under the Ivanhoe Mines banner. He is Executive Co-Chairman and a director of Ivanhoe Mines Ltd., which is a co-owner of two tier-one mines in the Democratic Republic of the Congo (DRC), namely Kamoa-Kakula (39.6%), the world's fastest growing major copper mine and the re-opened Kipushi Zince Mine (62%). Ivanhoe Mines also owns 64% of the world's largest undeveloped precious metals project located in South Africa, the Platreef PGM-Nickel Mine. The company operated under the Ivanplats name after its founding in 1998 and assumed the Ivanhoe Mines name in 2013. The original Ivanhoe Mines, founded in 1994 and now named Turquoise Hill Resources, had extensive mining and exploration interests in the Asia Pacific Region. Mr. Friedland was Executive Chairman and Chief Executive Officer of the original Ivanhoe Mines until 2012 and was also President from 2003 to 2008. He directed Ivanhoe Mines' assembly of a portfolio of interests in several countries over 16 years and led the company's team that made the discoveries and initial development of the Oyu Tolgoi copper-gold-silver deposits in southern Mongolia. Rio Tinto acquired a controlling interest in the company in January 2012 and the company was renamed Turquoise Hill Resources in August 2012. Rio Tinto completed its acquisition of Turquoise Hill in December 2022. Before founding Ivanhoe Mines, Mr. Friedland was a co-founding principal investor in Diamond Fields Resources in late 1992. Assuming Co-Chairmanship in 1994 after company-funded exploration discovered high-grade nickel at Voisey's Bay in Canada, Mr. Friedland led negotiations for the subsequent sale of the tier-one discovery to INCO for C$4.3 billion in 1996. The mine began production in 2005. Now owned by Vale, it is the world's fourth-largest nickel producer. Mr. Friedland is also Chairman and President of Ivanhoe Capital Corporation, his family's private, Singapore-based company founded in 1987 that specialises in providing venture capital, project financing and related services for international business enterprises, predominantly in the minerals, energy and communications technologies sectors. He was inducted into the Canadian Mining Hall of Fame in 2016 and the American Mining Hall of Fame in 2021.

Directors' Report continued

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Other current directorships:	Founder and Executive Co-Chairman, Ivanhoe Mines Ltd Founder and Executive Chairman, Ivanhoe Electric Inc. Chairman & President, Ivanhoe Capital Corporation (private) Co-Founder, Chairman and CEO, I-Pulse Inc. (private) Director, Pure Lithium Corporation (private) Chairman, VRB Energy (private)
Former directorships (last 3 years):	Director, SES AI Corporation (NYSE) (resigned March 2023)
Special responsibilities:	Nil
Interests in shares:	21,977,801 fully paid ordinary shares
Interests in options:	10,000,000 unlisted options
Interests in rights:	Nil

Name:	Mr Jiang Zhaobai
Title:	Co-Chairman and Non-Executive Director
Qualifications:	EMBA, China Europe International Business School
Experience and Expertise:	Mr Jiang took part in numerous engineering and construction projects following graduation from university in the 1980's. He later founded his own real estate development company in 1988. In 1997, Shanghai Pengxin Group Co., Ltd. was established with Mr Jiang as founding Chairman. Under Mr Jiang's leadership, Shanghai Pengxin Group has successfully developed a number of significant property projects, amounting to a total of twenty million square meters. Starting from real estate development including both residential and commercial as well as hotel industry, the group has diversified into a range of other sectors including modern agriculture, mining and new energy, environmental science and technology as well as financial investment. The group is now a diversified conglomerate with controlling interests in four listed companies in China. Mr Jiang was appointed Co-Chairman of Sunrise Energy Metals on 21 April 2017.
Other current directorships:	Chairman of Shanghai Pengxin Group Executive Chairman of Shanghai Entrepreneurs Association (private) Vice President of the China-Latin America and the Caribbean Friendship Association (private)
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	10,451,888 fully paid ordinary shares
Interests in options:	Nil
Interests in rights:	Nil

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Name:	Mr Sam Riggall
Title:	Managing Director & Chief Executive Officer
Qualifications:	LLB (Hons), B.Com., MBA
Experience and Expertise:	Mr Riggall commenced his career in the mining industry working as mining executive for the Rio Tinto Group's portfolio of industrial minerals businesses. Mr Riggall has worked in exploration, evaluation, development and operations, having served as a director on several public and private boards in Australia and overseas. Prior to Sunrise Energy Metals, Mr Riggall was head of strategy and planning at Ivanhoe Mines, where he worked actively in Central Asia, Africa and Australia. In his roles at both Rio Tinto and Ivanhoe Mines, Mr Riggall was responsible for review of capital allocation decisions and new project generation. Mr Riggall holds law and economics degrees from the University of Melbourne, and an MBA from Melbourne Business School. He is a Fellow of the Australian Institute of Mining and Metallurgy, was a member of the taskforce responsible for the Australian Government's Modern Manufacturing Strategy on Resources Technology and Critical Minerals Processing and is a Steering Committee member of the World Materials Forum based in Europe. In 2009, Mr Riggall was awarded the Honour Medal of Economic and Financial Service by the Government of Mongolia for his contribution to Mongolia's economic and social development. Mr Riggall was appointed to the Sunrise Energy Metals Board on 4 June 2013.
Other current directorships:	Clean TeQ Water Limited (ASX:CNQ)
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	2,521,746 fully paid ordinary shares
Interests in options:	Nil
Interests in rights:	2,322,036 unlisted performance rights

Name:	Ms Stefanie Loader
Title:	Lead Independent Non-Executive Director
Qualifications:	Bachelor of Science with Honours (Geology), University of Western Australia, Graduate Certificate in Applied Statistics, Murdoch University; MAIG; GAICD
Experience and Expertise:	Ms Stefanie (Stef) Loader is a mining industry executive with experience in exploration, project evaluation and development, mining and corporate roles across seven countries and four continents. Residing in Central West NSW, Ms Loader was most recently Managing Director of Northparkes Copper and Gold Mine for CMOC International. Ms Loader began her career with Rio Tinto as an exploration geologist in Australia and was part of the discovery team for the Khanong copper deposit at Sepon in Laos. After exploration and evaluation roles in the Americas, Ms Loader was assigned to the office of the Rio Tinto Chief Executive in London. Ms Loader also led the development of the Bunder diamond project in India. Ms Loader was appointed a Director of Sunrise Energy Metals on 28 June 2017, with effect from 1 July 2017.
Other current directorships:	OceanaGold Corporation (TSX)
Former directorships (last 3 years):	St Barbara Limited (resigned 30 June 2024)
Special responsibilities:	Chair of the People, Governance and Sustainability Committee and member of the Audit, Finance and Risk Committee
Interests in shares:	22,000 fully paid ordinary shares
Interests in options:	Nil
Interests in rights:	Nil

Directors' Report continued

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Name:	Mr Eric Finlayson
Title:	Independent Non-Executive Director
Qualifications:	BSc (Honours) in Applied Geology
Experience and Expertise:	Mr Finlayson is a geologist with over 40 years' of experience in Australia and overseas. In 24 years with Rio Tinto, Mr Finlayson held a number of key executive roles including regional exploration manager for Canada, Director of Exploration for the Australasian region and 5 years as Global Head of Exploration based in London. Mr Finlayson also served as CEO of Rio Tinto Coal Mozambique following Rio Tinto's takeover of Riversdale Mining in 2011. Mr Finlayson is currently Head of Exploration and company advisor of Pure Lithium, a disruptive Chicago-based lithium metal battery technology company. Mr Finlayson was appointed a Director of Sunrise Energy Metals on 16 September 2015.
Other current directorships:	Nil
Former directorships (last 3 years):	Kaizen Discovery Inc. (resigned 25 September 2023) Sama Resources Inc. (resigned 9 April 2024)
Special responsibilities:	Chair of the Audit, Finance and Risk Committee and member of the People, Governance and Sustainability Committee
Interests in shares:	75,000 fully paid ordinary shares
Interests in options:	Nil
Interests in rights:	Nil

Name:	Mr Trevor Eton
Title:	Non-Executive Director
Qualifications:	Bachelor of Arts (Hons.) degree majoring in Economics from Victoria University of Wellington (VUW), New Zealand, a Post Graduate Diploma in Management from the Melbourne Business School and is an Associate Fellow of the Australian Institute of Management (AFAIM)
Experience and Expertise:	Mr Eton is a well-respected finance executive with over 35 years' experience in corporate finance within the minerals industry. His previous full-time executive role was as CFO and Company Secretary of sulphide nickel producer, Panoramic Resources Limited (ASX:PAN) ('Panoramic') from 2003 to 2020 where he was instrumental in the financing, construction and development of the Savannah Nickel Project and the acquisition and subsequent development of the Lanfranchi Nickel Project, which saw Panoramic reach a market capitalisation exceeding $1 billion in 2007. Prior to Panoramic, he held corporate finance roles with various other resource companies, including diversified metal producers, MPI Mines Limited and Australian Consolidated Minerals Limited (ACM). Mr Eton was appointed a Director of Sunrise Energy Metals on 1 July 2021.
Other current directorships:	Nil
Former directorships (last 3 years):	Future Battery Minerals Limited (ASX:FBM) (resigned 22 November 2023)
Special responsibilities:	Member of the People, Governance and Sustainability Committee and the Audit, Finance and Risk Committee
Interests in shares:	12,000 fully paid ordinary shares
Interests in options:	Nil
Interests in rights:	Nil

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Other current directorships quoted above are current directorships for listed entities only and exclude directorships in all other types of entities, unless otherwise stated.

'Former directorships' quoted above are directorships held in the last three years for listed entities only and exclude directorships in all other types of entities, unless otherwise stated.

Company Secretary

Ms Melanie Leydin was appointed to the position of Company Secretary on 7 July 2011. Melanie holds a Bachelor of Business majoring in Accounting and Corporate Law. She is a member of the Institute of Chartered Accountants, Fellow of the Governance Institute of Australia and is a Registered Company Auditor. She graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and from February 2000 to October 2021 was the principal of Leydin Freyer. In November 2021 Vistra acquired Leydin Freyer and Melanie is now Vistra Australia's Managing Director. Vistra is a prominent provider of specialised consulting and administrative services to clients in the fund, corporate, capital markets, and private wealth sectors.

Melanie has over 30 years' experience in the accounting profession and over 20 years' experience holding board positions including Company Secretary of ASX listed entities. She has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of companies, initial public offerings (IPOs), secondary raisings and shareholder relations.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board Committee held during the financial year, and the number of meetings attended by each Director are tabled below:

	Board		Audit, Finance and Risk Committee		People, Governance and Sustainability Committee	
Director	Held	Attended	Held	Attended	Held	Attended
Total meetings	5		4		4	
Robert Friedland	5	–	–	–	–	–
Jiang Zhaobai	5	3	–	–	–	–
Stef Loader	5	5	4	4	4	4
Sam Riggall	5	5	–	–	–	–
Trevor Eton[1]	5	5	1 3	1 3	4	4
Eric Finlayson[2]	5	5	3 1	3 –	4	3

1. Chair of the Audit, Finance and Risk Committee until 31 August 2024.
2. Chair of the Audit, Finance and Risk Committee from 1 September 2024.

Chair Member

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Attended: indicates the number of meetings attended by each Director during the time the Director held office or was a member of the relevant committee.

The Company values a Board with a diverse mix of skills and experience. Co-Chair, Jiang Zhaobai, is not a fluent English speaker, and the Company has taken steps to ensure that Mr Jiang understands and can contribute to the business of the Board and can discharge his duties effectively. Specifically, papers are distributed well in advance of Board meetings to allow time for review and comment. Further, Mr Jiang attends Board meetings with his bilingual Executive Assistant who assists with translation and communication. To the extent that Mr Jiang, or any Director, is unable to attend meetings, the Co-Chair or the Lead Independent Non-Executive Director ensure that their views are represented to the Board.

Directors' Report continued

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Principal Activities

During the financial year, the principal activities of the Consolidated Entity were focused on the Syerston Scandium Project ('Syerston Project') located adjacent to the Sunrise Nickel-Cobalt Project ('Sunrise Project') in central New South Wales ('NSW'). Activities on the Syerston Project included work to update the 2016 Syerston Scandium Project Feasibility Study, product marketing, exploration drilling and other pre-development work. Activities at the Sunrise Project were reduced during the period as resources were reallocated to the Syerston Project while the project remains uneconomic due to the global supply dominance of the Indonesian primary nickel sector and the depressed nickel price. The Consolidated Entity also continued with its farm-in and exploration activities at the Clonagh Joint Venture in Queensland and, on a limited basis, at the Company's other mineral exploration tenements in NSW.

There have been no material changes in the nature of the Consolidated Entity's activities during the financial year.

Review of Operations

During the financial year ended 30 June 2025, the loss after tax for the Consolidated Entity's continuing operations amounted to $6,206,000 (2024: loss after tax of $7,858,000).

The Consolidated Entity's other income from continuing operations decreased to $453,000 (2024: $923,000), due to reduced interest income and Government grant income.

Mineral exploration activities and the ongoing development of the Consolidated Entity's metals portfolio resulted in $1,727,000 of exploration and evaluation expenditure during the financial year. This expenditure was principally financed from existing cash reserves.

The Consolidated Entity's net assets increased by $1,457,000 during the financial year to $10,167,000 (2024: $8,710,000). Working capital, being current assets less current liabilities, amounted to a surplus of $10,044,000 (2024: $8,341,000), with cash and cash equivalents increasing from $8,756,000 to $10,714,000 during the financial year.

Syerston Scandium Project

During the financial year, the Consolidated Entity re-commenced pre-development activities at the Syerston Scandium Project ('Syerston Project'), including a re-assessment of the 2016 Syerston Scandium Project Feasibility Study ('Study') in order to update and promote the high-grade stand-alone project in response to positive developments in the global scandium (Sc) market.

Market developments during the financial year included the ramping up of Chinese restrictions on the export of critical rare earth element ('REE') minerals and heavy magnet rare earths, including scandium, as a counter measure to restricting Chinese tech companies access to United States ('U.S.') made high performance computer chips for AI applications, and the announcement in April 2025 of increased tariffs on Chinese imports by the new Trump led U.S. Federal administration (albeit the potential increase in tariffs on Chinese imports was softened in June 2025). In addition, an increasing adoption of scandium in specialty semiconductor applications, emerging 5G/6G communications and an increased focus on scandium-containing alloys in the military, aerospace and automotive sectors are helping to increase the demand for scandium.

Key pre-development activities conducted during the financial year at the Syerston Project included the:

- Engagement of GR Engineering Services Pty Ltd ('GR') to provide updated capital and operating project cost estimates that are to be used in the Study;
- Completion of an internal Trade-Off and Optimisation Study which assessed the relative merits of locating a potential stand-alone scandium processing facility at the Parkes (NSW) Special Activation Precinct (SAP) versus processing at the Sunrise Project site at Fifield, New South Wales ('NSW');
- Update of the Syerston Scandium Mineral Resource Estimate ('MRE') by Mining One Pty Ltd in early 2025 and announced on 5 February 2025, which re-confirmed the presence of high-grade zones of scandium mineralisation at shallow depths in the laterite soils. The February 2025 MRE confirmed a global Scandium MRE comprising 60.3Mt @ 390ppm Sc (c. 23,500 tonnes of contained Sc at a 300ppm Sc cut-off grade). Importantly, there remained an opportunity to expand the already significant Sc high-grade zones (at a 600ppm Sc cut-off grade) on the untested areas beyond the boundary of the intrusive, which was successfully achieved through the step-out drilling campaign in April/May 2025;

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- Completion of the step-out exploration drilling campaign at the Syerston Scandium Project in May 2025, which tested for new high-grade scandium zones in untested areas to the west and south of the February 2025 Syerston MRE boundary. The shallow, 125 hole reverse circulation ('RC') drilling campaign, totalling 3,589 drill metres to an average depth of 30 metres, indicates multiple new areas of continuous, high-grade scandium mineralisation which remain open in multiple directions *(refer to the Company's ASX announcements of 27 June 2025 and 28 July 2025 for assay results and 2012 JORC Tables from samples taken during the April/May 2025 exploration drilling campaign at the Syerston scandium deposit)*;
- Marketing and engagement with end-users of scandium in the U.S. and Asia with the aim of securing offtake and possible financing commitments for refined, chemical grade scandium oxide (Sc_2O_3) and other potential metal products from the Syerston Project; and
- Ongoing investment in scandium alloy development programmes and pilot scale extrusion trials on proprietary 6xxx-series alloys to service both the automotive and aerospace industries.

Scandium Marketing and Offtake Discussions

Recent engagement with potential customers and end-users of scandium in the U.S. and Asia has confirmed concerns regarding the global scandium supply chain. It is estimated that over 90% of global demand for scandium is from U.S. industry across the specialty alloy, semiconductor and aerospace markets. As a result of the heightened U.S.-China trade war, the Company has sought and has received several informal expressions of interest (EOIs) from consumers seeking to secure alternative sources of scandium.

Over the coming financial year, the Company will continue to progress discussions with a range of end-users of refined, chemical grade scandium oxide (Sc_2O_3), with the aim of converting these expressions of interest (EOIs) into firm offtake commitments for the Syerston Project.

The Directors firmly believe that the proactive marketing engagement and update of the Syerston Project Feasibility Study is important in the face of a changing global market for critical minerals which could eventually lead to the development of a relatively low capital and operating cost, high-grade and long-life, stand-alone scandium mining and processing facility. It is expected that the update of the Syerston Project Feasibility Study will be completed by the end of the September 2025 quarter.

Sunrise Nickel-Cobalt Project

The Consolidated Entity continued to advance the development of its wholly owned Sunrise Nickel-Cobalt Project ('Sunrise Project') during the financial year ended 30 June 2025.

The Sunrise Project stands out globally as one of the few development-ready new sources of critical battery materials supply. Despite nickel and cobalt market conditions remaining at depressed levels due to the oversupply of nickel and cobalt from Indonesia and the Democratic Republic of the Congo (DRC) respectively, the Directors believe that the Sunrise Project represents an attractive investment and development opportunity given its large scale, low operating cost of production and its adherence to the highest standards of environmental and occupational health and safety management.

However, until market conditions improve, activities at the Sunrise Project will remain focussed on minimising holdings costs and on preserving project optionality.

Sunrise Project Works

During the financial year, the Consolidated Entity's technical consultants, GHD, completed the first draft of the power systems studies that are required as part of an electrical transmission line ('ETL') connection agreement. Initial outcomes from the studies indicate that the existing electrical network can support the Sunrise Project's forecast load and that minimal upstream network augmentation will be required. These studies are currently with the NSW network operator, Essential Energy, for review.

Work was completed on the Oversize Transport Route Study. The study was undertaken to deliver surveyed plans and designs of civil and overhead services modifications required along the oversized transport route from Port Pirie to the Project site, with engagement with key road and power authorities continuing throughout the financial year. In the previous financial year, a $500,000 grant towards the cost of the Oversize Transportation Route Study was awarded to the Consolidated Entity pursuant to Stream 1 (Project Activation Studies) of the NSW Government's Critical Minerals and High-Tech Metals Activation Fund, which aims to support activities which will activate the critical minerals and high-tech metals sector in New South Wales. The final tranche of $75,000 was drawn down at the beginning of the financial year.

Directors' Report continued

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The Consolidated Entity also continued to progress commercial discussions with landowners, Aboriginal Land Councils, local councils, the NSW State Government and other impacted parties required for land access agreements for key infrastructure including the Sunrise Project water pipeline and ETL.

Exploration

During the financial year, the Consolidated Entity continued to advance activities across its range of exploration assets in Queensland ('QLD') and New South Wales ('NSW').

Queensland Exploration

Clonagh Trend Joint Venture (Consolidated Entity earning up to a 75% equity interest)

In April 2024, the Consolidated Entity signed the Clonagh Trend Farm-In and Joint Venture Agreement to establish an unincorporated joint venture ('Clonagh Trend JV') with Continental Copper Pty Ltd ('Continental'), the JV Manager, to explore for base and precious metals on Continental's exploration tenements north of Cloncurry, Qld in one of Australia's most productive mineral provinces. In the first six months of the financial year, exploration targets within the JV tenements were determined for an initial air-core (AC) drilling campaign with reference to anomalous groundwater geochemistry.

Other activities conducted by Continental during the financial year included:

- Integration of multiple geophysical datasets to gain a greater understanding of subsurface geology, alteration and structure, including magnetotelluric (MT) data, airborne magnetic surveys, ground gravity surveys, ground electromagnetic (EM) data and a re-processed lithospheric seismic line; and
- Negotiations to secure land access agreements with landholders, required prior to the 31-hole redox AC drilling programme at Dianne (EPM 27559 and 27829) and Maureen- Lola (EPM 28004 and 27760), which commenced in the June 2025 quarter. The aim of this maiden drilling programme is to establish the existence of a broad scale redox interface above bedrock as an indicator for zones of mineralisation at depth.

New South Wales Exploration

Other than the mid-2025 step-out exploration drilling campaign at the Syerston Scandium deposit and on exploring for limestone at Hunters (Sunrise EL9627) early in the financial year, the Consolidated Entity conducted activities for general maintenance and statutory holding requirements across the Company's NSW exploration (EL) tenements.

Hunters (Sunrise EL9627)

The Hunters limestone prospect is approximately 50km by road from the Sunrise Project and is located along the approved transport route for the project.

Early in the financial year, field mapping and rock sampling of untested surface expressions of limestone on the eastern part of the prospect was undertaken. Rock samples showed high calcium (Ca) content with low impurities and assays taken on selected samples confirmed the presence of high-grade limestone. At the optimal time, it is planned to conduct follow-up targeted reverse circulation (RC) drilling to test the grade and extent of limestone in both the western and eastern areas of the prospect where the cover is shallow enough to potentially support the economic mining of the limestone.

Corporate

In August 2024, the Consolidated Entity undertook a reorganisation of management and the Board, in which Non-Executive Director, Mr Trevor Eton, agreed to provide a limited scope of financial advisory services to the Consolidated Entity as part-time Chief Financial Officer, commencing 1 September 2024, following the departure of Mr Benjamin Stockdale, the entity's long serving Chief Financial Officer.

As a result of this management change, Mr Eric Finlayson was appointed Chair of the Company's Audit, Finance and Risk Committee from 1 September 2024.

On 23 June 2025, the Company announced that it had successfully completed a $6.0 million Placement to existing and new sophisticated and institutional investors at an issue price of $0.30 per New Share. For every New Share issued under the Placement, Shareholders were issued with an unlisted Share Option with an exercise price of $0.40 expiring on 31 May 2027.

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In conjunction with the Placement, the Consolidated Entity conducted a Share Purchase Plan ('SPP') to eligible Shareholders residing in Australia and New Zealand on the same terms as the Placement, targeting to raise a maximum of $1.5 million (before costs). On 30 June 2025, the Company announced it had received applications totalling approximately $4.0 million. Given the strong level of interest in the SPP, the Company scaled back the SPP applications, with participating Shareholders receiving 37.52% of the SPP Shares and unlisted Share Options that each Shareholder had applied for.

The total funds raised under the Placement and the SPP of $7.5 million (before costs) is primarily to be used to accelerate pre-development work at the Syerston Project.

Risk

The Consolidated Entity is exposed to the risk of global competition and environmental (including climate change), social and governance ('ESG') risks which may affect the Consolidated Entity's ability to achieve the financial performance or outcomes disclosed herein.

Global Competition

The Consolidated Entity must compete for capital and sales in a global market. There is a risk that the Consolidated Entity may not be able to achieve the financial performance or outcomes disclosed herein if it is unable to compete, or compete on acceptable terms, with competitors who may have superior resources or products or lower costs of production.

Environmental Risks (including climate change)

The Consolidated Entity must comply with a range of environmental (including climate change) performance and reporting requirements, many of which are conditions of its mineral exploration and mining activities. There is a risk that the Consolidated Entity may not be able to achieve the financial performance or outcomes disclosed herein if it fails to comply with those environmental (including climate change) performance and reporting requirements or if the requirements change in the future and the Consolidated Entity is no longer able to comply with the requirements or must incur material unplanned expenditure in order to remain compliant. There is also a risk that future business partners and customers may seek to have the Consolidated Entity comply with additional environmental (including climate change) performance and reporting requirements which the Consolidated Entity may not be able to comply with or must incur material unplanned expenditure to be compliant. The Consolidated Entity seeks to manage and minimise this risk through its existing risk management framework and through detailed environmental management plans and systems.

Social Risks

The Consolidated Entity is exposed to social risks as a result of the many stakeholders who are involved in its activities, including, but not limited to employees, contractors, local community members residing in areas where the Consolidated Entity operates, governments and government agencies (local, state and federal) as well as customers and suppliers. The Consolidated Entity is subject to reputational damage as well as potential claims for damages as a result of any harm or loss sustained by any stakeholder as a result of the activities of the Consolidated Entity and its representatives. There is a risk that the Consolidated Entity may not be able to achieve the financial performance or outcomes disclosed herein if it incurs reputational damage or claims for damages. The Consolidated Entity seeks to manage and minimise this risk through its existing risk management framework, including Board approved policies on stakeholder management and through established stakeholder consultation processes.

Governance Risks

The Consolidated Entity must comply with a range of governance requirements which are conditions of its listing on the Australian Securities Exchange (ASX) and of its mineral exploration and mining activities. There is a risk that the Consolidated Entity may not be able to achieve the financial performance or outcomes disclosed herein if it fails to comply with those governance requirements or if the requirements change in the future and the Consolidated Entity is no longer able to comply with the requirements or must incur material unplanned expenditure in order to remain compliant. The Consolidated Entity seeks to manage and minimise this risk through its existing risk management framework including Board-approved governance policies which are subject to regular review.

Directors' Report continued

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Liquidity Risk

The Consolidated Entity does not generate revenues sufficient to fund its outgoings and is therefore reliant on existing cash reserves and raising new financing in order to carry out its planned activities. There is a risk that the Consolidated Entity may not be able to achieve the financial performance or outcomes disclosed herein if it is unable to raise, or raise on acceptable terms, new financing to in order to carry out its planned activities.

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Likely developments and expected results of operations

The Consolidated Entity will continue to pursue its objectives on the update and development of the Syerston Project as well as progressing exploration activities at the Consolidated Entity's other mineral tenements and in regard to expenditure commitments under the Clonagh Trend Joint Venture farm-in arrangement.

The Consolidated Entity intends to fund the development of the Syerston Project through debt finance and capital raisings.

Further information on likely developments in the projects of the Consolidated Entity and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Consolidated Entity.

Environmental regulation

The Consolidated Entity has an interest in the mineral licences disclosed in Note 10 of the "Notes to the Financial Statements". The authorities responsible for the granting of these licences require the tenement holder to comply with the terms and conditions of the licences and all directions given to it by those authorities.

The terms and conditions of any mineral licence typically include certain environmental conditions, covering such matters as Aboriginal cultural heritage, threatened species, habitat, heritage items, trees and vegetation, roads and tracks, groundwater, streams and watercourses, erosion and sediment controls, preventing and monitoring pollution, refuse, chemicals, fuels and waste materials, transmission lines and pipelines, drilling, rehabilitation of the land, environmental reporting, and site security. The People, Governance and Sustainability Committee ('PGSC') is responsible for monitoring compliance with the terms and conditions of the licences. There have been no known breaches of the Consolidated Entity's licence conditions or any other environmental regulation during the financial year or up until the date of this report.

Dividends

There were no dividends paid or declared during the current or previous financial year.

Share Options

Unissued shares under options

During the financial year, the Company granted 24,999,906 unlisted Share Options with an exercise price of $0.40 expiring on 31 May 2027 (2024: nil). No Share Options have been granted since the end of the financial year.

At the date of this report, there are 22,541,720 unissued shares of the Company under option with an exercise price of $0.40 expiring on 31 May 2027.

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Shares issued on exercise of options

During or since the end of the financial year, the Company issued 2,458,186 ordinary shares of the Company as a result of the exercise of 2,458,186 Share Options at an amount paid on each share of $0.40. There are no amounts unpaid on the shares issued.

Corporate Governance Statement

The Company's 2025 Corporate Governance Statement was released to the ASX on 8 September 2025 and is available at www.sunriseem.com.

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred in their capacity as a Director or executive for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid premia in respect of contracts to insure the Directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*.

Indemnity and insurance of auditor

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 20 of the "Notes to the Financial Statements".

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are of the opinion that the services as disclosed in Note 20 of the "Note to the Financial Statements" do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Rounding of amounts

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Lead auditor's independence declaration

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 34 and forms part of the Directors' Report for the financial year ended 30 June 2025.

Directors' Report continued

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Auditor

KPMG continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Sam Riggall
Managing Director

8 September 2025
Melbourne

REMUNERATION REPORT (AUDITED)

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The Directors of Sunrise Energy Metals present this Remuneration Report, which has been audited, for the financial year ended 30 June 2025.

The Remuneration Report provides information about the remuneration of Sunrise Energy Metals' non-executive directors and its key management personnel ('KMP'), being those executives with authority and responsibility for planning, directing, and controlling the activities of the Consolidated Entity. The Remuneration Report has been prepared in accordance with the requirements of the *Corporations Act 2001* and contains the following sections:

Section 1 Remuneration at Sunrise Energy Metals	This section of the Remuneration Report provides an overview of Sunrise Energy Metals' remuneration principles and the structure of remuneration for KMP.
Section 2 Performance and Executive Remuneration Outcomes	This section details the remuneration outcomes for Sunrise Energy Metals' KMP in the financial year. It also demonstrates how the components of remuneration at Sunrise Energy Metals are aligned with value-creation by being linked to the Company's performance.
Section 3 Non-Executive Director Remuneration	This section outlines the remuneration structure and fees paid to Sunrise Energy Metals' non- executive directors.
Section 4 Statutory Remuneration Disclosures	This section includes statutorily required remuneration disclosures for the financial year, including details of equity awards and KMP and non-executive director interests in equity instruments of Sunrise Energy Metals.

Non-executive Directors for the purposes of this report are as follows:

- Robert Friedland (Co-Chairman and Non-Executive Director).
- Jiang Zhaobai (Co-Chairman and Non-Executive Director).
- Stefanie Loader (Lead Independent Non-Executive Director).
- Eric Finlayson (Independent Non-Executive Director).
- Trevor Eton (Non-Executive Director).

KMP as identified for the purposes of this report by the criteria set out above are as follows:

- Sam Riggall – Managing Director (MD) and Chief Executive Officer (CEO).
- Ben Stockdale – Chief Financial Officer (CFO) (resigned effective 31 August 2024).
- Trevor Eton – Chief Financial Officer (CFO) (part-time) (from 1 September 2024).

There were no other employees in the Consolidated Entity that met the definition of key management personnel in accordance with the *Corporations Act 2001* or Australian Accounting Standards.

Remuneration Report (Audited) continued

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Section 1: Remuneration at Sunrise Energy Metals

The Board of Directors is responsible for approving the compensation arrangements for the Directors and KMP following recommendations received from the People, Governance and Sustainability Committee ('PGSC'). The Board, in conjunction with the PGSC, regularly assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

Compensation levels are set to attract and retain appropriately qualified and experienced directors and executives. As and when required the PGSC has access to independent advice on the appropriateness of compensation packages given trends in comparative companies and the objectives of the compensation strategy.

Non-executive director remuneration consists of fixed directors' fees only. KMP remuneration is structured to consist of fixed and variable remuneration. The KMP compensation structures explained below are designed to reward the achievement of strategic objectives, align performance with shareholder interests and create the broader outcome of creating value for shareholders.

The compensation structures take into account:

- the capability and experience of a KMP;
- a KMP's ability to control the relevant business unit's performance;
- the Consolidated Entity's performance including:
  - (i) the Company's market capitalisation;
  - (ii) the Consolidated Entity's earnings; and
  - (iii) the growth in share price and achievement of shareholder returns.

KMP remuneration and incentive policies and practices are performance based and aligned to the Consolidated Entity's vision, values and overall business objectives. They are designed to motivate KMP to pursue the Consolidated Entity's long-term growth and success. Compensation packages include a mix of fixed and variable compensation and short and long-term performance-based incentives.

In addition to salaries, the Consolidated Entity may also provide non-cash benefits to its directors and key management personnel and contributes to post-employment superannuation plans on their behalf.

Fixed remuneration

Total Fixed Remuneration ('TFR') consists of base compensation (which is calculated on a total cost basis and includes any fringe benefits tax charges related to employee benefits), as well as leave entitlements and employer contributions to superannuation funds.

Compensation levels are reviewed at least annually by the PGSC through a process that considers individual, segment and overall performance of the Consolidated Entity.

Performance-linked remuneration

Sunrise Energy Metals' approach to remuneration is to ensure that remuneration received by KMP is closely linked to the Consolidated Entity's performance and the returns generated for shareholders. Performance-linked compensation, as outlined in the Consolidated Entity's Employee Incentive Plan ('EIP'), includes both short-term and long-term incentives, and is designed to incentivise and reward employees for meeting or exceeding Company-wide and individual objectives.

The short-term incentive ('STI') is an "at risk" bonus provided in the form of cash and/or shares, while the long-term incentive ('LTI') is provided as options and performance rights over ordinary shares of the Company. The STI and LTI plans provide for the Board to be able to exercise discretion on the award of cash bonuses, options and performance rights.

Within the established remuneration framework, each employee is assigned a level which reflects the seniority and responsibility associated with their role. This level determines an employee's participation in the STI and LTI, and therefore, the proportion of their total remuneration which is linked to performance. Senior executives of the Company have a higher proportion of their total potential remuneration 'at risk'. The applicable annual EIP metrics, which were implemented with effect from 1 July 2020, are detailed below.

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Percentage of TFR	Level 1 (MD/CEO)	Level 2	Level 3	Level 4	Level 5
STI – bonus	20%	20%	20%	20%	20%
LTI – performance rights	150%	100%	20%	10%	5%

Total Remuneration Breakdown	Level 1 (MD/CEO)	Level 2	Level 3	Level 4	Level 5
TFR	37%	45%	72%	77%	80%
STI – bonus	7%	9%	14%	15%	16%
LTI – performance rights	56%	46%	14%	8%	4%
Total at risk	**63%**	**55%**	**28%**	**23%**	**20%**

The Board considers that the performance-linked compensation structure outlined in the EIP will generate the desired outcome in respect of attracting and retaining high calibre employees and aligning employee performance with shareholder interests. Refer to Section 2 of this Remuneration Report for an analysis of the Consolidated Entity's performance in the financial year ended 30 June 2025 and link to overall remuneration.

Short-Term Incentive

The STI has been adopted to link employee remuneration to key business outcomes which drive value creation in the short to medium term.

Each year, all employees have individual key performance indicators ('KPI's') agreed with their manager. The Board approves the individual KPI's for the CEO based on the recommendation of the PGSC. The CEO approves the individual KPI's for the KMP with endorsement from the PGSC. The individual performance objectives are designed to focus employees on goals and objectives specific to their roles and typically include financial performance compared to budgeted amounts as well as non-financial metrics which vary with position and responsibility and include measures such as completion of specific tasks and projects as well as health, safety and environment outcomes and staff development.

KPI's for the Consolidated Entity are also set by the Board each year. KPI's for the Consolidated Entity are designed to focus employees on the key goals and objectives of the business as a whole, such as the financing and development of the Syerston Scandium Project and the Sunrise Nickel-Cobalt Project.

At the end of the financial year, each employee's performance is assessed against their individual KPI's and a score is assigned.

The Board approves the KPI assessments for the MD/CEO based on the recommendation of the PGSC. The PGSC approves the assessments of the individual KPI's for the KMP based on the recommendation of the MD/CEO.

The Board assesses the performance of the Consolidated Entity against the Consolidated Entity KPI's and a score is assigned. An employee's overall KPI score will be a combination of their individual KPI score and the Consolidated Entity KPI score, with higher level employees having a higher weighting of the Company KPI score vs the individual KPI score. The weighting applicable for each employee level is tabled below. The KPI score determines the STI outcome for each employee, subject ultimately to Board approval of the overall amount of the STI cash bonus pool to be awarded each year, if any.

STI Weighting	Level 1 (MD/CEO)	Level 2	Level 3	Level 4	Level 5
Company KPI's	70%	50%	25%	0%	0%
Individual KPI's	30%	50%	75%	100%	100%

There are also a number of defined disqualifying events which, if triggered, result in no STI being awarded for a financial year. These disqualifying events comprise a small number of severely adverse health, safety, environment and community related occurrences.

Remuneration Report (Audited) continued

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Long-Term Incentive

The LTI has been adopted to align employees' interests directly with shareholders by linking employee remuneration to the Company's share price performance over the medium to longer term. The LTI comprises grants of performance rights to all employees, and options to certain senior executives, pursuant to the Company's EIP Rules which were approved by shareholders on 27 October 2023.

Performance rights are granted at the discretion of the Board to employees by way of issue at nil cost both at the time of grant and vesting. Performance rights are granted on a semi-annual basis, with the at-risk value (as represented by the Company's share price) of the annual grant at grant date representing a percentage of the employee's TFR. Vesting is assessed at a performance test date (typically three years after the grant date) contingent on the Company's share price meeting or exceeding defined performance criteria over the performance period. The performance criteria consist of benchmarks relating to the Company's total shareholder return ('TSR') in absolute terms and relative to the S&P/ASX 300 Metals & Mining Index. The S&P/ASX 300 Metals & Mining Index is selected on the basis that it presents the best fit for Sunrise Energy Metals over the coming years and is an established and 'live' index. For each Performance Right that meets the applicable performance criteria and vests, employees receive one ordinary share in the Company. Any performance rights that fail to meet the performance criteria at the performance test date will lapse as at that date.

The EIP also provides for certain key executives to receive, for no consideration, options over ordinary shares of the Company at specified exercise prices as determined by the Board. The grant of options is intended to align the interests of senior executives with other owners of the Company over the medium to longer term and to increase those senior executives' proportion of 'at risk' remuneration. The ability to exercise the options is conditional upon each key executive's ongoing employment by the Company and other applicable vesting hurdles determined by the Board from time to time.

Section 2: Performance and Executive Remuneration Outcomes

During the financial year ended 30 June 2025, the Consolidated Entity made good progress towards achieving some of its operational targets, however, the key Consolidated Entity's KPI for FY25 (delivery of a financing package for the Sunrise Nickel-Cobalt Project) was not achieved and financial results remained loss-making due to the fact that the Sunrise Nickel-Cobalt Project remains at the pre-production development phase.

STI Performance and Outcomes

The Consolidated Entity's KPI for the financial year ended 30 June 2025 is tabled below, along with the annual performance assessment undertaken by the PGSC. The Consolidated Entity KPI targets are intentionally challenging, and stretch targets are defined to deliver enhanced remuneration outcomes up to 125% grading for outstanding performance. As such, STI bonus payments are capped at an absolute maximum of 125% of TFR. While the precise terms of those objectives and progress made is in some cases commercially sensitive, a summary of the FY25 key strategic objectives and progress made against those objectives is set out below.

Measure	KPI	Weight	Result	Score
Sunrise Nickel-Cobalt Project	Delivery of a financing package for the Sunrise Nickel-Cobalt Project, or other corporate transaction that delivers value to shareholders.	100%	0%	0%

Disclosure of disqualifying events is tabled below.

Measure	Event	Occurrence
Health and Safety	Workplace fatality	No
Environment	Category four environmental incident	No
Community	Event resulting in material community or reputational damage	No

The following provides details on the factors which were considered by the Board in relation to the Consolidated Entity's performance against its KPI's in the financial year ended 30 June 2025, as well as the rationale for inclusion of the particular metric.

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FY25 KPI – Financing and development of the Sunrise Nickel-Cobalt Project (100% weighting)

The Board considers that, ultimately, the financing and development of the Sunrise Nickel-Cobalt Project will create significant long-term value for shareholders. Accordingly, this objective was still the key focus of the Board and senior executives until the end of CY2024 when the focus was shifted to the progress and development of the Syerston Scandium Project.

During the financial year, the target of delivering a financing solution for the Sunrise Nickel-Cobalt Project, or other corporate transaction that delivers value to shareholders, was not achieved. Accordingly, the KPI result was assessed as zero.

FY26 KPI – Financing and development of the Syerston Scandium Project (100% weighting)

As a result of the transition of resources and funding in FY25 to the progress and development of the high-grade Syerston Scandium Project, the Consolidated Entity's key KPI for FY26 has been amended by the Board to be the "delivery of a financing package for the Syerston Scandium Project, or other corporate transaction that delivers value to shareholders". The disqualifying events detailed in the table above remain unchanged for FY26.

Disqualifying Events

Providing a safe workplace for all employees and ensuring that the impact of the Consolidated Entity's activities on the environment and local community stakeholders is managed appropriately is integral to Sunrise Energy Metal's corporate objectives and values.

No disqualifying events occurred during the financial year.

STI Outcome for the Consolidated Entity

In considering the Consolidated Entity's performance, the Board also has due regard to profit or loss after tax in the current and previous financial years, along with the market capitalisation and movement in the share price.

The earnings of the Consolidated Entity for the five years to 30 June 2025 are summarised below:

	2021 $'000	2022 $'000	2023 $'000	2024 $'000	2025 $'000
Profit/(Loss) after income tax	(21,154)	72	(9,120)	(7,858)	(6,206)

The factors that affect TSR are summarised below:

	2021	2022	2023	2024	2025
Share price at financial year end ($)	1.79	2.25	1.06	0.33	0.81
Movement in share price ($)	0.39	0.46	(1.19)	(0.73)	0.48
Dividends or capital returns paid ($ per share)	–	0.39	–	–	–
Market Capitalisation Undiluted ($M)	160	203	95	30	93

Dividends and changes in share price are included in the TSR calculation, which is the key performance criterion assessed for the long-term incentives.

Remuneration Report (Audited) continued

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KMP Individual STI Outcomes for FY25

Sam Riggall – Managing Director and Chief Executive Officer

Mr Riggall's performance against his individual objectives is summarised below:

Category	KPI
Syerston Scandium Project	Secure offtake agreements for the Syerston Scandium Project.

The Board, based on the recommendation of the PGSC, assessed Mr Riggall's performance against his individual objectives as 0% of target, resulting in the STI outcome tabled below.

STI	Weighting	Result	Weighted Result
Consolidated Entity KPI's	70%	0%	0%
Individual KPI's	30%	0%	0%
Total			0%
STI outcome as a percentage of TFR			0%
STI award as a percentage of maximum STI			0%

The Company determined that no payments would be made in respect of the 2025 financial year pursuant to the STI Plan. As such, the actual amount of STI awarded pursuant to the STI Plan is 0% of the theoretical maximum.

During the financial year, Mr Riggall was granted 801,482 performance rights which expire on 1 January 2027 and 968,542 performance rights which expire on 1 July 2027. Performance rights vest subject to defined performance criteria (see below for further details of the performance criteria).

Ben Stockdale – Chief Financial Officer

Mr Stockdale resigned as CFO with effect from 31 August 2024. As such, his performance against his individual objectives was not assessed in relation to the 2025 financial year and the Company determined that no payments would be made in respect of the 2025 financial year pursuant to the STI Plan. As such, the actual amount of STI awarded pursuant to the STI Plan is 0% of the theoretical maximum.

Mr Stockdale was not granted any performance rights during the financial year.

Trevor Eton – Chief Financial Officer (part-time)

Mr Eton commenced his role as CFO (part-time) with effect from 1 September 2024. The Consultancy Services Contract executed with Mr Eton for his services to the Consolidated Entity does not include any provision for bonus payments under the STI Plan or the grant of LTI performance rights.

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LTI Performance and Outcomes

During the financial year, the grants of performance rights with a test date of 1 July 2024 and 1 January 2025 completed their three-year performance periods. The performance criteria were based on the TSR applicable to the ordinary shares of the Company over the respective performance testing periods.

The performance rights with a test date of 1 July 2024 and 1 January 2025 were assessed against the following performance criteria:

Performance Criteria 1 – 50% vesting conditional on the Company's absolute TSR performance

Company TSR over measurement period:	Percentage of performance rights vesting
12.5% pa compounding annually or greater	100%
7.5% pa compounding annually	50%^
Less than 7.5% pa compounding	0%

^ Straight line pro-rata vesting between 7.5% and 12.5%.

Performance Criteria 2: 50% vesting conditional on the Company's TSR performance compared to the S&P/ ASX 300 Metals & Mining Index (ASX:XMM) ('Index')

Performance Level	Company performance relative to Index over measurement period	Percentage of performance rights vesting^^
Stretch	≥ Index movement +15%	100%
Between Target & Stretch	> Index movement + 5% & <15%	Pro-rata
Target	**Index movement +5%**	**50%**
Between Threshold & Target	> Index movement & <5%	Pro-rata
Threshold	= Index movement	25%
Below Threshold	< Index movement	0%

^^ Provided that zero performance rights will vest if the Company TSR is negative over the measurement period.

The performance rights with a test date of 1 July 2024 did not meet any of the performance criteria and so those instruments lapsed.

The performance rights with a test date of 1 January 2025 did not meet any of the performance criteria and so those instruments lapsed.

Remuneration Report (Audited) continued

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Performance Criteria for the grant of new performance rights

The performance criteria are based on the TSR applicable to the ordinary shares of the Company over the performance testing period. The performance criteria for the tranches of new performance rights granted to KMP during the financial year are detailed below. The performance criteria for the tranches of new performance rights granted to KMP during the financial year are consistent with the performance criteria for performance rights granted to KMP in the comparative year.

Performance Criteria 1 – 50% vesting conditional on the Company's absolute TSR performance

Company TSR over measurement period:	Percentage of performance rights vesting
12.5% pa compounding annually or greater	100%
7.5% pa compounding annually	50%^
Less than 7.5% pa compounding	0%

^ Straight line pro-rata vesting between 7.5% and 12.5%.

Performance Criteria 2: 50% vesting conditional on the Company's TSR performance compared to the S&P/ ASX 300 Metals & Mining Index (ASX:XMM) ('Index')

Performance Level	Company performance relative to Index over measurement period	Percentage of performance rights vesting^^
Stretch	≥ Index movement +15%	100%
Between Target & Stretch	> Index movement + 5% & <15%	Pro-rata
Target	**Index movement +5%**	**50%**
Between Threshold & Target	> Index movement & <5%	Pro-rata
Threshold	= Index movement	25%
Below Threshold	< Index movement	0%

^^ Provided that zero performance rights will vest if the Company TSR is negative over the measurement period.

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KMP Employment Agreements

Remuneration and other terms of employment for KMP are formalised in service agreements. Details of these agreements are as follows:

Name:	Mr Sam Riggall
Title:	Managing Director and Chief Executive Officer
Agreement commenced:	1 July 2015
Term of agreement:	No fixed term
Termination:	The Company may terminate the agreement upon three months' notice or payment in lieu of notice. Mr Riggall can terminate the agreement upon three months' notice. The Company may terminate the agreement immediately where the executive commits any act of serious misconduct, persistent breach or non-observance of a term of this agreement.

Name:	Mr Ben Stockdale
Title:	Chief Financial Officer
Agreement commenced:	2 February 2015
Term of agreement:	Terminated on 31 August 2024
Termination:	Mr Stockdale submitted his resignation in June 2024 and gave notice of his departure that occurred on 31 August 2024.

Name:	Mr Trevor Eton
Title:	Chief Financial Officer (part-time)
Consultancy Services Contract commenced:	1 September 2024
Term of contract:	No fixed term
Termination:	The Company may terminate the contract upon one months' notice. Mr Eton can terminate the contract upon one month's notice. The Company may terminate the contract upon five days' notice where the executive commits any act of serious misconduct, persistent breach or non-observance of a term of this contract.

The service contracts outline the components of compensation paid to the KMP. The service contracts of the KMP prescribe how compensation levels are modified year to year. Compensation levels are reviewed each year to take into account cost-of-living changes, any change in the scope of the role performed by the senior executive and any changes required to meet the principles of the compensation policy.

Remuneration Report (Audited) continued

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Section 3: Non-Executive Director Remuneration

The Company Constitution provides for Non-Executive Directors to be paid or provided remuneration for their services, the total amount or value of which must not exceed an aggregate maximum of $1,000,000 per annum (as approved by shareholders on 19 July 2017) or such other maximum amount determined from time to time by the Company in a general meeting.

The aggregate maximum sum will be apportioned among them in such manner as the Directors in their absolute discretion determine. Non-Executive Directors' fees are set based on advice from external advisors with reference to fees paid to other Non-Executive Directors of comparable companies. Non-Executive Directors do not receive performance-related remuneration. Directors' fees include base fees for Board participation and fees for Board Committee roles and responsibilities. The structure of Non-Executive Director fees during the financial year is tabled below.

Non-Executive Director Base Fees	
Board Co-Chairman	70,000
Lead Independent Non-Executive Director	60,000
Board Member	50,000
Board Committee Fees	
Audit, Finance and Risk Committee Chair	15,000
Audit, Finance and Risk Committee Member	8,000
People, Governance and Sustainability Committee Chair	15,000
People, Governance and Sustainability Committee Member	8,000

Effective 1 July 2023, the Board of Directors increased Board Committee Chair fees to $15,000 per annum and Board Committee member fees to $8,000 per annum. All other director fees remain unchanged. The increase to Board Committee fees was approved in recognition of the fact that substantive work is undertaken on behalf of the Consolidated Entity by the Board Committees and to ensure that Director remuneration is sufficient to attract and retain suitably qualified and experienced non-executive directors, particularly in light of the high inflationary environment and the fact that director remuneration had remained unchanged for a number of years.

Non-executive directors are entitled to be reimbursed for travelling and other expenses properly incurred by them in attending Directors' or general meetings of the Company or otherwise in connection with the business of the Consolidated Entity. No retirement benefits are to be paid to Non-Executive Directors, however, Director remuneration figures quoted herein are inclusive of superannuation where applicable. The Company determines the maximum amount for remuneration for Directors, including thresholds for share-based remuneration, by resolution.

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Section 4: Statutory Remuneration Disclosures

Details of the remuneration and holdings in the securities of the Company of the KMP and Non-Executive Directors, prepared in accordance with the requirements of the *Corporations Act 2001* and applicable Australian Accounting Standards, are set out in the following tables.

2025	Cash Salary and Fees[1]	Cash Bonus[2]	Non-Monetary	Termination Benefits[3]	Post-Employment Benefits	Long-Term Benefits[3]	Share Based Payments[4]	Total
Non-Executive Directors								
Robert Friedland	70,000	–	–	–	–	–	–	70,000
Jiang Zhaobai	70,000	–	–	–	–	–	–	70,000
Trevor Eton	60,239	–	–	–	6,928	–	–	67,167
Eric Finlayson	64,424	–	–	–	7,409	–	–	71,833
Stefanie Loader	83,000	–	–	–	–	–	–	83,000
Executive Director:								
Sam Riggall	483,201	–	–	–	29,932	8,937	301,433	823,503
KMP:								
Ben Stockdale[5]	65,788	–	–	–	4,989	(4,817)	–	65,960
Trevor Eton[6]	100,000	–	–	–	–	–	–	100,000
Total	**996,652**	**–**	**–**	**–**	**49,258**	**4,120**	**301,433**	**1,351,463**

1. Includes director fees and salary.
2. Bonus payments are presented on an accruals basis and do not reflect the actual timing of payments.
3. Includes cessation of employment entitlements relating to redundancy, payment in lieu of notice and accrued leave entitlements.
4. Amounts relate to the fair value of grants options and performance rights made pursuant to the LTI Plan attributable to the financial year measured in accordance with AASB 2 *Share Based Payments*.
5. Resigned as at 31 August 2024.
6. Commenced on 1 September 2024.

2024	Cash Salary and Fees[1]	Cash Bonus[2]	Non-Monetary	Termination Benefits[3]	Post-Employment Benefits	Long-Term Benefits[3]	Share Based Payments[4]	Total
Non-Executive Directors								
Robert Friedland	70,000	–	–	–	–	–	–	70,000
Jiang Zhaobai	70,000	–	–	–	–	–	–	70,000
Trevor Eton	65,765	–	–	–	7,235	–	–	73,000
Eric Finlayson	59,460	–	–	–	6,540	–	–	66,000
Stefanie Loader	83,000	–	–	–	–	–	–	83,000
Executive Director:								
Sam Riggall	485,633	–	–	–	27,500	9,224	397,829	920,186
KMP:								
Ben Stockdale[5]	397,162	–	–	–	27,500	7,637	(20,691)	411,608
Total	**1,231,020**	**–**	**–**	**–**	**68,775**	**16,861**	**377,138**	**1,693,794**

1. Includes director fees and salary.
2. Bonus payments are presented on an accruals basis and do not reflect the actual timing of payments.
3. Includes cessation of employment entitlements relating to redundancy, payment in lieu of notice and accrued leave entitlements.
4. Amounts relate to the fair value of grants options and performance rights made pursuant to the LTI Plan attributable to the financial year measured in accordance with AASB 2 *Share Based Payments*.
5. Resigned in June 2024, as such Mr Stockdale's performance rights as at 30 June 2024 were assessed as having zero probability of vesting and so, in accordance with AASB 2 *Share Based Payments*, the fair value of those performance rights were credited to the Consolidated Statement of Profit or Loss and other Comprehensive Income during the financial year, resulting in a negative balance appearing in the table above.

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Remuneration Report (Audited) continued

The following tables sets out the proportion of fixed and 'at risk' performance-based remuneration for Directors and KMP for the current and previous financial period:

2025	Proportion of remuneration that is fixed	Proportion of remuneration at risk as cash settled STI	Proportion of remuneration at risk as equity settled LTI
Non-Executive Directors:			
Robert Friedland	100%	–	–
Jiang Zhaobai	100%	–	–
Eric Finlayson	100%	–	–
Stefanie Loader	100%	–	–
Trevor Eton	100%	–	–
Executive Director:			
Sam Riggall	63%	–	37%
KMP:			
Ben Stockdale	100%	–	–
Trevor Eton	100%	–	–

2024	Proportion of remuneration that is fixed	Proportion of remuneration at risk as cash settled STI	Proportion of remuneration at risk as equity settled LTI
Non-Executive Directors:			
Robert Friedland	100%	–	–
Jiang Zhaobai	100%	–	–
Eric Finlayson	100%	–	–
Stefanie Loader	100%	–	–
Trevor Eton	100%	–	–
Executive Director:			
Sam Riggall	57%	–	43%
KMP:			
Ben Stockdale[1]	105%	–	(5)%

1. Resigned in June 2024, as such Mr Stockdale's performance rights as at 30 June 2024 were assessed as having zero probability of vesting and so, in accordance with AASB 2 *Share Based Payments*, the fair value of those performance rights were credited to the Consolidated Statement of Profit or Loss and other Comprehensive Income during the 2024 financial year, resulting in a negative balance appearing in the table above.

Options

No options over ordinary shares were granted to KMP as part of compensation during the financial year ended 30 June 2025 or the comparative year.

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Performance Rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of KMP in the financial year ended 30 June 2025 are as follows:

Grantee	Rights Granted	Grant Date	Vesting and Expiry Date	Exercise Price	Fair value per Performance Right at Grant	% Rights Vested	% Rights Lapsed
Sam Riggall	198,694	22-Oct-21	01-Jul-24	Nil	$1.42	–	100%
Sam Riggall	204,780	21-Oct-22	01-Jan-25	Nil	$1.39	–	100%
Sam Riggall	146,444	21-Oct-22	01-Jul-25	Nil	$1.21	N/A	N/A
Sam Riggall	193,683	27-Oct-23	01-Jan-26	Nil	$0.21	N/A	N/A
Sam Riggall	358,329	27-Oct-23	01-Jul-26	Nil	$0.40	N/A	N/A
Sam Riggall	801,482	22-Oct-24	01-Jan-27	Nil	$0.18	N/A	N/A
Sam Riggall	968,542	22-Oct-24	01-Jul-27	Nil	$0.21	N/A	N/A
Ben Stockdale	108,134	09-Sep-21	01-Jul-24	Nil	$1.17	–	100%
Ben Stockdale	112,982	08-Mar-22	01-Jan-25	Nil	$1.17	–	100%
Ben Stockdale	80,797	24-Aug-22	01-Jul-25	Nil	$0.94	–	100%
Ben Stockdale	106,860	14-Mar-23	01-Jan-26	Nil	$0.35	–	100%
Ben Stockdale	197,699	11-Sep-23	01-Jul-26	Nil	$0.23	–	100%
Ben Stockdale	442,197	07-Mar-24	01-Jan-27	Nil	$0.10	–	100%

Performance rights carry no dividend or voting rights.

The number of performance rights over ordinary shares granted to each KMP as part of remuneration is set out below:

	Performance rights granted during the financial year	Number of rights granted during the financial year	Number of rights vested during the financial year	Number of rights vested during the financial year
	2025	2024	2025	2024
Sam Riggall	1,770,024	552,012	–	92,962
Ben Stockdale	–	639,896	–	51,289

Values of performance rights over ordinary shares (as at date of grant) granted, exercised and lapsed to key management personnel as part of compensation are set out below:

	Value of rights granted during the financial year	Value of rights granted during the financial year	Value of rights vesting during the financial year	Value of rights vesting during the financial year[1]
Name	2025	2024	2025	2024
Sam Riggall	354,292	182,542	–	279,816
Ben Stockdale	–	89,905	–	76,934

1. Figures tabled represent the value at date of grant for the performance rights which vested during the financial year. The market value of the shares which were issued to KMPs during the financial year pursuant to the vesting of those performance rights based on the 5-day volume-weighted average price immediately prior to issue was $1.13 per share.

Remuneration Report (Audited) continued

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Director and KMP interests in equity instruments of the Company

Movement in shares held

The number of ordinary shares in the Company held during the financial year ended 30 June 2025 by each Director and KMP of the Consolidated Entity, including their related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Non-Executive Directors:					
Robert Friedland	11,977,801	–	10,000,000	–	21,977,801
Jiang Zhaobai	10,451,888	–	–	–	10,451,888
Stefanie Loader	22,000	–	–	–	22,000
Trevor Eton	12,000	–	–	–	12,000
Eric Finlayson	75,000	–	–	–	75,000
Executive Director:					
Sam Riggall	2,701,746	–	–	–	2,701,746
KMP:					
Ben Stockdale	170,000	–	–	(170,000)	–
	25,410,435	**–**	**10,000,000**	**(170,000)**	**35,240,435**

Movement in options held

The number of options over ordinary shares in the Company held during the financial year by each Director and KMP of the Consolidated Entity, including their related parties, is set out below:

	Balance at the start of the year	Granted as part of remuneration	Additions	Exercised	Balance at the end of the year
Non-Executive Director:					
Robert Friedland	–	–	10,000,000	–	10,000,000
	–	**–**	**10,000,000**	**–**	**10,000,000**

Movement in performance rights held

The number of performance rights over ordinary shares in the Company held during the financial year by each KMP of the Consolidated Entity, including their related parties, is set out below:

	Balance at the start of the year	Granted as part of remuneration	Vested	Expired/ forfeited/ other	Balance at the end of the year
Sam Riggall	1,101,930	1,770,024	–	(403,474)	2,468,480
Ben Stockdale	1,048,669	–	–	(1,048,669)	–
	2,150,599	**1,770,024**	**–**	**(1,452,143)**	**2,468,480**

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Shares under option

Unissued ordinary shares of the Company under option as at 30 June 2025 are as follows:

Grant Date	Expiry Date	Exercise Price	Number under Option
23-Jun-25	31-May-27	$0.40	20,000,000
30-Jun-25	31-May-27	$0.40	4,999,906
			24,999,906

Shares subject to performance rights

Unissued ordinary shares of the Company subject to performance rights as at 30 June 2025 are as follows:

Grant Date	Vest Date	Exercise Price	Number
24-Aug-22	01-Jul-25	Nil	37,266
21-Oct-22	01-Jul-25	Nil	146,444
14-Mar-23	01-Jan-26	Nil	49,288
27-Oct-23	01-Jan-26	Nil	193,683
11-Sep-23	01-Jul-26	Nil	95,046
27-Oct-23	01-Jul-26	Nil	358,329
07-Mar-24	01-Jan-27	Nil	178,531
22-Oct-24	01-Jan-27	Nil	801,482
26-Jul-24	01-Jul-27	Nil	222,217
22-Oct-24	01-Jul-27	Nil	968,542
07-Mar-25	01-Jan-28	Nil	385,172
			3,436,000

Shares issued on the exercise of options or performance rights

During the financial year, the Company did not issue any shares as a result of the exercise of options or the vesting of performance rights.

Voting and comments made at the Company's 2023 and 2024 Annual General Meetings

The Company received 23,330,165 votes 'for' (95.11% of votes cast) and 1,198,256 votes 'against' (4.89% of votes cast) the Remuneration Report for the year ended 30 June 2024.

The Company received 25,603,653 votes 'for' (91.89% of votes cast) and 2,259,903 votes 'against' (8.11% of votes cast) the Remuneration Report for the year ended 30 June 2023.

This concludes the Remuneration Report which has been audited.

AUDITOR'S INDEPENDENCE DECLARATION

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Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Sunrise Energy Metals Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Sunrise Energy Metals Limited for the financial year ended 30 June 2025 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

James Dent

Partner

Melbourne

8 September 2025

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

	Note	Consolidated 2025 $'000	Consolidated 2024 $'000
Other income	5	184	325
Interest income		269	598
Expenses			
Exploration and evaluation expenses		(1,727)	(3,584)
Employee benefits expenses	6	(2,514)	(3,060)
Research and development test work		(12)	(57)
Depreciation expense	6	(162)	(215)
Legal and professional expenses		(1,076)	(922)
Occupancy expenses		(287)	(299)
Travel expenses		(166)	(134)
Impairment loss on investment in associated entity		(200)	–
Other expenses		(505)	(498)
Finance costs		(10)	(12)
Loss before income tax benefit		**(6,206)**	**(7,858)**
Income tax benefit	7	–	–
Loss after income tax benefit		**(6,206)**	**(7,858)**
Other comprehensive income for the year		–	–
Total comprehensive income/(loss) for the year		**(6,206)**	**(7,858)**
Total comprehensive income/(loss) for the year is attributable to:			
Owners of the Company		(6,206)	(7,858)
		(6,206)	**(7,858)**

	Note	Consolidated 2025 $	Consolidated 2024 $
Earnings/(loss) per share attributable to owners of the Company			
Basic earnings per share	27	(0.07)	(0.09)
Diluted earnings per share	27	(0.07)	(0.09)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Note	Consolidated 2025 $'000	Consolidated 2024 $'000
Current assets			
Cash and cash equivalents	8	10,714	8,756
Trade and other receivables		405	537
Total current assets		**11,119**	**9,293**
Non-current assets			
Property, plant and equipment	9	112	146
Investments		–	200
Right of use assets		215	281
Other financial assets		76	75
Other non-current assets		19	19
Total non-current assets		**422**	**721**
Total assets		**11,541**	**10,014**
Current liabilities			
Trade and other payables	11	740	548
Employee benefits		262	336
Lease liabilities		73	68
Total current liabilities		**1,075**	**952**
Non-current liabilities			
Employee benefits		138	127
Provisions		10	10
Lease liabilities		151	215
Total non-current liabilities		**299**	**352**
Total liabilities		**1,374**	**1,304**
Net assets		**10,167**	**8,710**
Equity			
Issued capital	13	305,401	298,091
Reserves	14	18,221	17,868
Accumulated losses	15	(313,455)	(307,249)
Total equity		**10,167**	**8,710**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

Consolidated	Contributed Equity $'000	Accumulated Losses $'000	Reserves $'000	Total Equity $'000
Balance at 1 July 2023	298,091	(299,392)	17,439	16,138
Loss after income tax benefit for the financial year	–	(7,858)	(7,858)	
Total comprehensive income/(loss) for the financial year	–	(7,858)	–	(7,858)
Transactions with owners in their capacity as owners:				
Share-based payments (Note 14)	–	–	429	429
Total contribution and distribution:	–	(7,858)	429	(7,429)
Balance at 30 June 2024	298,091	(307,249)	17,868	8,710
Balance at 1 July 2024	298,091	(307,249)	17,868	8,710
Loss after income tax benefit for the financial year	–	(6,206)	–	(6,206)
Total comprehensive income/(loss) for the financial year	–	(6,206)	–	(6,206)
Transactions with owners in their capacity as owners:				
Equity contributions, net of transaction costs	7,310	–	–	7,310
Share-based payments (Note 14)	–	–	353	353
Total contribution and distribution:	7,310	(6,206)	353	1,457
Balance at 30 June 2025	**305,401**	**(313,455)**	**18,221**	**10,167**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2025

	Note	Consolidated 2025 $'000	Consolidated 2024 $'000
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(5,956)	(8,814)
Cash used in operating activities		(5,956)	(8,814)
Interest received		305	628
Research and development tax incentive/government grants received		82	305
Payments of interest on leases		(10)	(12)
Net cash used in operating activities	26	(5,579)	(7,893)
Cash flows from investing activities			
Rental income		152	121
Payments for property, plant and equipment		(9)	(57)
Other receipts		52	45
Investments		–	(200)
Net cash from/(used in) investing activities		195	(91)
Cash flows from financing activities			
Proceeds from issue of shares, net of issuance costs		7,484	–
Payments of principal for rental leases		(112)	(134)
Cash on deposit for security over bank guarantees		(30)	47
Net cash from/(used in) financing activities		7,342	(87)
Net increase/(decrease) in cash and cash equivalents		1,958	(8,071)
Cash and cash equivalents at the beginning of the financial year		8,756	16,827
Cash and cash equivalents at the end of the financial year	8	**10,714**	**8,756**

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

Note 1. General information

The financial statements cover the Sunrise Energy Metals Limited group as a consolidated entity consisting of Sunrise Energy Metals Limited ('Parent Entity', the 'Company' or 'Sunrise Energy Metals') and its subsidiaries ('Consolidated Entity'). The financial statements are presented in Australian dollars, which is the Consolidated Entity's functional and presentation currency.

Sunrise Energy Metals Limited is a for-profit ASX listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 6, 10-16 Queen Street
Melbourne VIC 3000
Australia

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 8 September 2025. The Directors have the power to amend and reissue the financial statements.

Note 2. Going Concern, Basis of Preparation and Significant accounting policies

(a) Going concern

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Entity reported a net loss after tax from continuing operations for the financial year of $6,206,000 (30 June 2024: loss of $7,858,000). Working capital, being current assets less current liabilities, amounted to a $10,044,000 surplus (30 June 2024: $8,341,000 surplus), with cash reserves increasing from $8,756,000 to $10,714,000 during the financial year. Net cash outflow from operating activities was $5,579,000 for the financial year (30 June 2024: $7,893,000).

During the financial year the Directors have considered the following to support the going concern basis of preparation for the Consolidated Entity:

- The Consolidated Entity has attributable available cash on hand as at 30 June 2025 of $10,714,000; and
- The forecast cash flows for the Consolidated Entity indicate that, based on current cash on hand, the Consolidated Entity is able to maintain a positive cash position for at least the period of 12 months to September 2026.

The Consolidated Entity will continue working towards securing a financing package to complete development activities and to enable commencement of construction of the Syerston Scandium Project and anticipates that it will, once in production, produce substantial revenues in the future.

The Directors are confident that the Consolidated Entity can continue to access debt and equity funding to meet medium term working capital requirements and has a history of securing such funding as required in the past to support their confidence.

The Directors note that there are a number of prevailing global factors which are beyond the control of the Consolidated Entity including the general inflationary environment, the wars in Ukraine and the Middle-East, political and trade disputes and disruption to supply chains. None of these factors have materially impacted on the ability of the Consolidated Entity to undertake its activities to date. Although there is a risk that these factors, or other new unforeseeable factors, may impact on the Consolidated Entity's performance and ability to operate in the future, the Directors are not currently aware of any factor that they believe will materially impact on the Consolidated Entity's performance and ability to operate in the future.

On the basis of cash and cash equivalents available as at 30 June 2025, cashflow forecasts to 30 September 2026, and that sufficient funding is expected to be raised to meet the Consolidated Entity's medium to long-term expenditure forecasts, the Directors consider that the Consolidated Entity remains a going concern and these financial statements have been prepared on this basis.

Notes to the Financial Statements continued

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(b) Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards ('AASBs') and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

Historical cost convention

The financial statements have been prepared under the historical cost convention unless otherwise described in the accounting policies.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

The material accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(c) Parent Entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Consolidated Entity only.

(d) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Sunrise Energy Metals Limited as at 30 June 2025 and the results of all subsidiaries for the year then ended. Sunrise Energy Metals Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Transactions eliminated on consolidation

Intercompany transactions, balances and any unrealised gains and losses on transactions between entities in the Consolidated Entity are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Consolidated Entity's interest in the investee. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

(e) Government Grants

Grants that compensate the Consolidated Entity for expenses incurred (including research and development tax incentive rebates) are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Consolidated Entity for expenditure capitalised (including research and development tax incentive rebates) are recognised as a reduction in the carrying value of the asset and grants that compensate the Consolidated Entity for expenditure recognised in profit or loss are recognised as government grant income.

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(f) Exploration and evaluation assets

Exploration, evaluation and feasibility expenditure

Exploration and evaluation expenditure is capitalised and carried forward in the financial statements, in respect of areas of interest for which the rights of tenure are current and where such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale. Capitalised costs are deferred until commercial production commences from the relevant area of interest, at which time they are amortised on a unit of production basis. Exploration and evaluation expenditure consists of an accumulation of acquisition costs and direct exploration and evaluation costs incurred.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates.

During the financial year, exploration, evaluation and feasibility expenditure at the Syerston Scandium Project has been expensed in the statement of profit or loss and other comprehensive income. This expenditure and other pre-development costs will continue to be expensed until such time as a final investment decision ('FID') is made to commence development of the project. Subsequent to this decision being made, project engineering and construction expenditure will be capitalised.

From 1 July 2020, the Sunrise Nickel-Cobalt Project exploration and evaluation expenditure has been expensed in the statement of profit or loss and other comprehensive income until such time as a FID is made to commence development of the project. Subsequent to this decision being made, project engineering and construction expenditure will be capitalised.

When an area of interest is abandoned, or the Directors determine it is not commercially viable to pursue, accumulated costs in respect of that area are written off in the period the decision is made.

(g) Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in the profit or loss except to the extent that it relates to business combinations, or items recognised directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Consolidated Entity is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The Consolidated Entity makes this assessment at each reporting date. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Notes to the Financial Statements continued

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Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

The Company and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The Company and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the Company to the subsidiaries nor a distribution by the subsidiaries to the Company.

(h) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in the normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in the normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The Consolidated Entity had no capital commitments for property, plant and equipment as at 30 June 2025 or 30 June 2024 or since the end of the financial year.

(j) Other financial assets

Cash on deposit used as security for bank guarantees maturing within twelve months of each reporting period is disclosed as a current other financial asset. Those deposits that mature in excess of twelve months are disclosed as non-current other financial assets.

(k) Intangibles

Capitalised development costs

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be an economic success considering its commercial and technical feasibility; the Consolidated Entity is able to use or sell the asset; the Consolidated Entity has sufficient resources and intent to complete the development and its costs can be measured reliably. Otherwise, they are recognised in the profit or loss as incurred. Capitalised development costs are amortised on a straight-line basis over the period of their expected economic benefit, being between 4 and 20 years dependent on the project.

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Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(l) Leases

Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. The right-of-use asset is depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis, while the lease liability is reduced by an allocation of each lease payment.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition. The Consolidated Entity derecognises the liability when its contractual obligations are discharged, cancelled or expired.

(n) Finance income and costs

The Consolidated Entity's finance income and finance costs include, as applicable:

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(o) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on Australian Corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Notes to the Financial Statements continued

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Share-based payments

Equity-settled share-based compensation benefits are provided to employees. There were no cash settled share-based payments during the financial year.

Equity-settled transactions are awards of shares, or options and performance rights over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. The fair values of options are determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the strike price of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The fair value of performance rights is determined by an independent third party using a Geometric Brownian Motion Model and a Monte Carlo simulation that takes into account the term of the performance rights, the underlying share price and benchmark share price values at grant date, the expected volatility of the underlying share and benchmark shares, the expected dividend yield of the underlying share and benchmark shares and the risk-free interest rate for the term of the performance right, together with an estimation of the number of performance rights expected to lapse due to failure of employees to remain in employment.

The costs of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the performance testing period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the performance test period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining grant date fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining performance test period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the performance test period, any remaining expense for the award is recognised over the remaining performance test period, unless the award is forfeited.

(p) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the ordinary shareholders of the Consolidated Entity by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

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(r) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(s) Rounding of amounts

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Legislative Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

(t) New standards and interpretations not yet adopted

There are no new standards and interpretations that have been early adopted.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires the Consolidated Entity to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The Consolidated Entity continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The Consolidated Entity bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances.

The resulting accounting judgements and estimates will seldom equal the related actual results. There are no judgements, estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year.

Share-based payment transactions

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Note 4. Operating segments

Identification of reportable operating segments

Following the demerger of Clean TeQ Water Limited from the Consolidated Entity on 1 July 2021, there is only one operating segment and the 'Metals' and 'Unallocated' segments from the prior periods have been combined.

Geographical segments

Geographically, the Consolidated Entity operates wholly in Australia.

Major customers

Revenue from continuing operations for the year ended 30 June 2025 is derived from interest and other income.

Notes to the Financial Statements continued

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Note 5. Other income

	Consolidated	
	2025 $'000	2024 $'000
Other income		
Government grants	–	148
Other income	184	177
	184	**325**

Note 6. Expenses

	Consolidated	
	2025 $'000	2024 $'000
Profit/(Loss) before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Right of use assets	119	143
Office equipment and furniture	43	72
Total depreciation	162	215
Employee benefits expenses		
Wages and salaries	(1,768)	(2,141)
Employee entitlements expense including movements in provisions for employee entitlements	(135)	(196)
Superannuation	(162)	(188)
Equity settled share-based payments	(354)	(429)
Other costs	(95)	(106)
Total employee benefit expenses	(2,514)	(3,060)

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Note 7. Income tax benefit

	Consolidated	
	2025 $'000	2024 $'000
Income tax benefit:		
Current tax	–	–
Deferred tax – origination and reversal of temporary differences	–	–
Aggregate income tax benefit on continuing operations	–	–
Deferred tax included in income tax benefit comprises:		
Decrease in deferred tax liabilities	–	–
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax (expense)/benefit from continuing operations	(6,206)	(7,858)
Tax at the statutory tax rate of 25.0% (2024: 25.0%)	(1,552)	(1,964)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	88	107
Impairment	50	–
Non-assessable government grant income	–	(18)
Other (deductible)/non-deductible expenses	26	(240)
Net under/(over) provision from prior years	724	745
Tax losses (reinstated)/not brought to account	664	1,370
Income tax benefit	–	–

	Consolidated	
	2025 $'000	2024 $'000
Tax losses not recognised:		
Unused tax losses for which no deferred tax asset has been recognised, including tax losses arising from a business combination	106,439	103,784
Potential tax benefit @ 25.0% (2024: 25.0%)	26,610	25,946
Plus: Unrecognised benefit of carry forward non-refundable R&D tax offset for which no deferred tax asset has been recognised, arising from a business combination	589	589
Total potential tax benefit of carry forward tax losses and R&D tax offset for which no deferred tax asset has been recognised	27,199	26,535
Temporary differences not brought to account	2,133	2,308

The above potential tax benefits for tax losses have not been recognised in the statement of financial position. The tax losses can only be utilised in the future if the Consolidated Entity generates taxable profits and if the continuity of ownership test is passed, or failing that, the same business test is passed.

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Notes to the Financial Statements continued

Note 8. Current assets – cash and cash equivalents

	Consolidated	
	2025 $'000	2024 $'000
Cash at bank	10,714	8,756

The average interest rate on short-term bank deposits at 30 June 2025 was 3.60% (2024: 4.93%). These deposits have a maximum tenure of three months. Any balances with maturities exceeding this have been disclosed as other financial assets.

Note 9. Non-current assets – property, plant and equipment

	Consolidated	
	2025 $'000	2024 $'000
Office furniture and equipment – at cost	586	577
Less: Accumulated depreciation	(515)	(496)
	71	81
Motor vehicles – at cost	246	246
Less: Accumulated depreciation	(205)	(181)
	41	65
Leasehold improvements – at cost	177	177
Less: Accumulated depreciation	(177)	(177)
	–	–
	112	146

Reconciliations of carrying amount

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Office Furniture & Equipment $'000	Leasehold Improvements $'000	Motor Vehicles $'000	Total $'000
Balance as at 1 July 2023	53	17	91	161
Additions	57	–	–	57
Depreciation expense	(29)	(17)	(26)	(72)
Balance as at 30 June 2024	81	–	65	146
Balance as at 1 July 2024	81	–	65	146
Additions	9	–	–	9
Depreciation expense	(19)	–	(24)	(43)
Balance as at 30 June 2025	71	–	41	112

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Note 10. Mineral tenement summary

Licence Number	Project Name	Location	Equity Interest 2025	Equity Interest 2024
EL4573	Sunrise	NSW	100%	100%
EL8833	Sunrise	NSW	100%	100%
EL8882	Sunrise	NSW	100%	100%
EL8883	Sunrise	NSW	100%	100%
EL8928	Sunrise	NSW	100%	100%
EL9259	Sunrise	NSW	100%	100%
EL9317	Sunrise	NSW	100%	100%
EL9598	Sunrise	NSW	100%	100%
EL9627	Sunrise	NSW	100%	100%
ML1770	Sunrise	NSW	100%	100%
ML1769	Sunrise	NSW	100%	100%
EL8961	Minore	NSW	100%	100%
EL9031	Minore	NSW	100%	100%
EL8520	Hylea	NSW	100%	100%
EL8641	Hylea	NSW	100%	100%
EL8801	Hylea	NSW	100%	100%
EL9211	Nyngan	NSW	100%	100%

Note 11. Current liabilities – trade and other payables

	Consolidated	
	2025 $'000	2024 $'000
Trade payables	190	268
Other payables	550	280
	740	**548**

Notes to the Financial Statements continued

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Note 12. Non-current liabilities/assets – deferred tax

	Net Balance 1 July 2024 $'000	Recognised in profit or loss $'000	Recognised directly in equity $'000	Consolidated Balance as at 30 June 2025 Deferred tax assets $'000	Consolidated Balance as at 30 June 2025 Deferred tax liabilities $'000
Deferred tax asset (liability) comprises temporary differences attributable to:					
Amounts recognised in:					
• Unearned interest	(9)	9	–	–	–
• Accrued expenses	8	72	–	80	–
• Employee benefits	116	(16)	–	100	–
• Transaction costs on share issues	66	–	(66)	–	–
• Legal and consulting fees	24	(8)	–	16	–
• Plant & equipment	371	(36)	–	335	–
• RoU assets	(70)	17	–	–	(53)
• Lease liabilities	71	(15)	–	56	–
	577	23	(66)	587	(53)
Summary					
Total deferred tax assets	534				
Deferred tax asset not recognised due to uncertain recoverability	(534)				
Net deferred tax	–				
Movements 2025					
Opening balance	–				
Charges to profit or loss	–				
Closing balance	–				

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Note 13. Equity – issued capital

			Consolidated	
	2025 Shares	2024 Shares	2025 $'000	2024 $'000
Ordinary shares – fully paid	115,227,404	90,227,498	305,401	298,091

Movements in ordinary share capital

Details	Date	Shares	Issue Price	$'000
Balance	1 Jul 2024	90,227,498		298,091
Movement	23 June 2025	20,000,000	$0.30	6,000
Movement	30 June 2025	4,999,906	$0.30	1,310
Balance	**30 Jun 2025**	**115,227,404**		**305,401**

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. All ordinary shares rank equally with regard to the Consolidated Entity's residual assets. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors is focused primarily on raising capital (debt and equity) for the development of the Syerston Scandium Project.

The Board ultimately seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings, new share issues and/or the potential introduction of a Syerston Scandium Project-level strategic equity investor and the advantages and security afforded by a sound capital position. The Consolidated Entity may increase its debt levels if and when required in order to achieve increased returns for shareholders.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Note 14. Equity – reserves

	Consolidated	
	2025 $'000	2024 $'000
Other reserves	(2,035)	(2,035)
Share-based payments reserve	20,256	19,903
	18,221	**17,868**

Notes to the Financial Statements continued

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Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share Based Payments $'000	Other $'000	Total $'000
Balance as at 1 July 2023	19,474	(2,035)	17,439
Share based payments	429	–	429
Balance as at 30 June 2024	19,903	(2,035)	17,868
Share based payments	353	–	353
Balance as at 30 June 2025	**20,256**	**(2,035)**	**18,221**

Note 15. Equity – accumulated losses

	Consolidated	
	2025 $'000	2024 $'000
Accumulated losses at the beginning of the financial year	(307,249)	(299,392)
Loss after income tax benefit for the year	(6,206)	(7,858)
	(313,455)	**(307,249)**

Note 16. Equity – dividends

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 17. Financial instruments

Financial risk management objectives

The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity. The Consolidated Entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ageing analysis for credit risk.

Risk management is carried out by senior finance executives under policies approved by the Board of Directors. These policies include identification and analysis of the risk exposure of the Consolidated Entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and manages financial risks within the Consolidated Entity. The Company's finance department reports to the Board monthly.

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The Consolidated Entity has exposure to the following risks from their use of financial instruments:

- Market risk;
- Credit risk; and
- Liquidity risk.

This note presents information about the Consolidated Entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board is responsible for developing and monitoring risk management policies.

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Consolidated Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The Consolidated Entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. There is no current material exposure to foreign exchange risk.

Interest rate risk

The Consolidated Entity has term deposits for surplus cash holdings and as security for bank guarantees and credit card debts as well as at call deposit facilities with variable interest rates. The Consolidated Entity currently has no debt. Accordingly, the Consolidated Entity has limited exposure to interest rate movements and as such, has no material exposure to interest rate risk.

Credit risk

Credit risk is the risk of financial loss to the Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Consolidated Entity's receivables from customers. The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

The Consolidated Entity's exposure to credit risk relating to trade and other receivables of $405,000 (2024: $537,000) is influenced mainly by the individual characteristics of each debtor. Debtors include farm property lessees, all based in Australia.

Guarantees

The Consolidated Entity's policy is to provide financial guarantees only to wholly-owned subsidiaries. As at the reporting date, there are no outstanding guarantees.

Cash and cash equivalents

The Consolidated Entity held cash and cash equivalents of $10,714,000 as at 30 June 2025 (2024: $8,756,000). The cash and cash equivalents are held with top tier banks in accordance with a board approved credit risk management policy.

Notes to the Financial Statements continued

For personal use only

Liquidity risk

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its obligations associated with its financial liabilities as they fall due. The Consolidated Entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Consolidated Entity's reputation.

Typically, the Consolidated Entity ensures that it has sufficient cash on demand to meet expected operational expenses for a period of not less than 12 months, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Exposure to liquidity risk

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments.

		Contractual cash flows				
Consolidated – 2025	Carrying amount $'000	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
Non–derivatives						
Non-interest bearing						
Trade payables	190	190	–	–	–	190
Other payables	550	550	–	–	–	550
Lease liabilities	224	73	75	76	–	237
Total non-derivatives	964	813	75	76	–	977

		Contractual cash flows				
Consolidated – 2024	Carrying amount $'000	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
Non–derivatives						
Non-interest bearing						
Trade payables	268	268	–	–	–	268
Other payables	280	280	–	–	–	280
Lease liabilities	283	77	71	157	–	305
Total non-derivatives	831	625	71	157	–	853

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Trade and other payables are measured at fair value on recognition and at amortised cost using the effective interest rate method subsequently. Due to their short-term nature neither trade and other receivables nor trade and other payables are discounted.

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Note 18. Fair value measurement

Fair value hierarchy

The following tables show the carrying amounts and fair values of the Consolidated Entity's financial assets and financial liabilities, measured or disclosed at fair value, using a three level hierarchy, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Financial assets and financial liabilities classified as held for distribution are not included in the table below. Their carrying amount is a reasonable approximation of fair value.

		Fair value			
Consolidated – 2025	Carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets not measured at fair value					
Cash and cash equivalents	10,714	–	–	–	10,714
Trade and other receivables	405	–	–	–	405
	11,119	–	–	–	11,119
Financial liabilities not measured at fair value					
Trade and other payables	(739)	–	–	–	(739)
Lease liabilities	(224)	–	–	–	(224)
	(963)	**–**	**–**	**–**	**(963)**

		Fair value			
Consolidated – 2024	Carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets not measured at fair value					
Cash and cash equivalents	8,756	–	–	–	8,756
Trade and other receivables	537	–	–	–	537
	9,293	–	–	–	9,293
Financial liabilities not measured at fair value					
Trade and other payables	(548)	–	–	–	(548)
Lease liabilities	(283)	–	–	–	(283)
	(831)	**–**	**–**	**–**	**(831)**

There were no transfers between levels during the financial year.

Notes to the Financial Statements continued

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Financial instruments measured at fair value – valuation technique

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of cash and cash equivalents, trade and other receivables and other financial assets and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Note 19. Key management personnel disclosures

Directors

The following persons were Directors of Sunrise Energy Metals Limited during the financial year:

Robert Friedland – Co-Chairman and Non-Executive Director

Jiang Zhaobai – Co-Chairman and Non-Executive Director

Sam Riggall – Managing Director and Chief Executive Officer

Stefanie Loader – Lead Independent Non-Executive Director

Eric Finlayson – Independent Non-Executive Director

Trevor Eton – Non-Executive Director

Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Consolidated Entity, directly or indirectly, during the financial year:

Ben Stockdale – Chief Financial Officer (resigned effective 31 August 2024)

Trevor Eton – Chief Financial Officer (part-time) (commenced 1 September 2024)

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Consolidated Entity is set out below:

	Consolidated	
	2025 $	2024 $
Cash Director fees and salary inclusive of superannuation and accrued leave entitlements	1,050,030	1,316,656
Share-based payments	301,433	377,138
	1,351,463	**1,693,794**

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Note 20. Remuneration of auditor

During the financial year the following fees were paid or payable for services provided by KPMG, the auditor of the Company:

	Consolidated	
	2025 $	2024 $
Audit services – KPMG		
Audit or review of the financial statements	80,300	75,763
	80,300	75,763
Other services – KPMG		
Taxation services	23,210	35,490
	23,210	35,490
	103,510	**111,253**

Note 21. Contingent liabilities

The Consolidated Entity has no material contingent liabilities as at 30 June 2025, however, the Consolidated Entity has a contractual obligation, incurred in the financial year ended 30 June 2015, to pay a 2.5% gross revenue royalty on output mined from the Sunrise Nickel-Cobalt Project. This royalty is payable to Ivanhoe Mines Ltd by SRL Ops Pty Ltd, a company within the Consolidated Entity. This royalty was part of the consideration paid for the acquisition of the Sunrise Nickel-Cobalt Project from Ivanhoe Mines Ltd. on 31 March 2015. The royalty is uncapped and has no expiry date.

The Consolidated Entity also has a contractual obligation to pay a 1.5% gross revenue royalty on output mined from EL8520 and EL8641 (Hylea Project). This royalty is payable to Providence Gold and Minerals Pty Ltd by Sunrise Energy Exploration Pty Ltd, a company within the Consolidated Entity. This royalty was attached to those exploration licences prior to their acquisition by the Consolidated Entity in August 2021. The royalty is uncapped and has no expiry date.

Note 22. Related party disclosures

Parent Entity

Sunrise Energy Metals Limited is the Parent Entity.

Subsidiaries

Interests in subsidiaries are set out in Note 24.

Key management personnel

Disclosures relating to KMP are set out in Note 19.

Transactions with related parties

No transactions occurred with related parties during the financial year ended 30 June 2025 or the previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans outstanding at the reporting date owed to related parties.

Notes to the Financial Statements continued

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Note 23. Parent entity information

Set out below is the supplementary information about the Parent Entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2025 $'000	2024 $'000
Loss after income tax	(348)	(308)
Total comprehensive loss	(348)	(308)

Statement of financial position

	Parent	
	2025 $'000	2024 $'000
Total assets	7,881	425
Total liabilities	(140)	–
Equity		
Issued capital	305,401	298,091
Other reserves	(2,035)	(2,035)
Share based payments reserve	20,256	19,903
Accumulated losses	(315,881)	(315,534)
Total equity	7,741	425

Guarantees entered into by the Parent Entity in relation to the debts of its subsidiaries

The Parent Entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

Contingent liabilities

The Parent Entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

Capital commitments – Property, plant and equipment

The Parent Entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024, or since the end of the financial year.

Significant accounting policies

The accounting policies of the Parent Entity are consistent with those of the Consolidated Entity, as disclosed in Note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment;
- Investments in associates are accounted for at cost, less any impairment; and
- Dividends received from subsidiaries are recognised as other income by the Parent Entity and its receipt may be an indicator of an impairment of the investment.

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Note 24. Interests in subsidiaries

The Consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2:

		Ownership interest	
Name	Principal place of business/ Country of incorporation	2025 %	2024 %
SRL Holding Company Pty Ltd	Australia	100%	100%
SRL Metals Pty Ltd	Australia	100%	100%
Scandium Holding Company Pty Ltd	Australia	100%	100%
SRL Ops Pty Ltd	Australia	100%	100%
Sunrise Energy Exploration Pty Ltd	Australia	100%	100%
SRL Clonagh Pty Ltd	Australia	100%	100%

Note 25. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 26. Reconciliation of cash used in operating activities

		Consolidated	
	Note	2025 $'000	2024 $'000
(Loss) after income tax expense for the year		(6,206)	(7,858)
Adjustments for:			
Depreciation and amortisation		162	215
Share-based payments	6	354	429
Other non-cash transactions		(148)	(243)
Change in operating assets and liabilities:			
Decrease in trade and other receivables		132	73
Decrease/(increase) in other financial asset		(1)	35
(Decrease) in provisions		–	(146)
Increase/(decrease) in trade and other payables		191	(431)
Increase/(decrease) in employee benefits		(63)	33
Net cash used in operating activities		(5,579)	(7,893)

Notes to the Financial Statements continued

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Note 27. Earnings per share

	Consolidated	
	2025 $'000	2024 $'000
Earnings per share for loss attributable to ordinary shareholders		
Profit/(loss) after income tax attributable to the owners of Sunrise Energy Metals Limited	(6,206)	(7,858)

	2025 Number	2024 Number
Weighted average number of ordinary shares used in calculating basic earnings per share	90,612,113	90,225,181
Weighted average number of ordinary shares used in calculating diluted earnings per share	90,612,113	90,225,181

	2025 $	2024 $
Basic earnings per share	(0.07)	(0.09)
Diluted earnings per share	(0.07)	(0.09)

The performance rights on issue throughout the financial year are not dilutive in effect, as the Consolidated Entity recorded a loss in the financial year.

Note 28. Share-based payments

Set out below are summaries of performance rights granted under the Plan:

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ Other*	Balance at the end of the year
09-Sep-21	01-Jul-24	$0.00	156,778	–	–	(156,778)	–
22-Oct-21	01-Jul-24	$0.00	198,694	–	–	(198,694)	–
08-Mar-22	01-Jan-25	$0.00	164,477	–	–	(164,477)	–
21-Oct-22	01-Jan-25	$0.00	204,780	–	–	(204,780)	–
22-Aug-22	01-Jul-25	$0.00	118,063	–	–	(80,797)	37,266
21-Oct-22	01-Jul-25	$0.00	146,444	–	–	–	146,444
14-Mar-23	01-Jan-26	$0.00	156,148	–	–	(106,860)	49,288
11-Sep-23	01-Jul-26	$0.00	292,745	–	–	(197,699)	95,046
27-Oct-23	01-Jan-26	$0.00	193,683	–	–	–	193,683
27-Oct-23	01-Jul-26	$0.00	358,329	–	–	–	358,329
07-Mar-24	01-Jan-27	$0.00	620,728	–	–	(442,197)	178,531
26-Jul-24	01-Jul-27	$0.00	–	222,217	–	–	222,217
22-Oct-24	01-Jan-27	$0.00	–	801,482	–	–	801,482
22-Oct-24	01-Jul-27	$0.00	–	968,542	–	–	968,542
07-Mar-25	01-Jan-28	$0.00	–	385,172	–	–	385,172
			2,610,869	**2,377,413**	**–**	**(1,552,282)**	**3,436,000**

* Performance rights forfeited as they did not meet the performance test conditions prior to the expiry date or due to the employee ceasing employment.

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Vesting of performance rights is contingent on the performance of the Company's total shareholder return ('TSR') over a three-year performance test period relative to pre-determined performance hurdles, as assessed at the expiry date.

The performance tests for the performance rights granted during the financial year and the comparative period are as follows:

Performance Test 1 – 50% vesting conditional on SRL's absolute TSR performance

SRL TSR over measurement period:	Percentage of performance rights vesting
12.5% pa compounding annually or greater	100%
7.5% pa compounding annually	50%^
Less than 7.5% pa compounding	0%

^ Straight line pro-rata vesting between 7.5% and 12.5%.

Performance Test 2: 50% vesting conditional on SRL's TSR performance compared to the S&P/ASX 300 Metals & Mining Index (ASX:XMM) ('Index')

Performance Level	SRL performance relative to Index over measurement period	Percentage of performance rights vesting^^
Stretch	≥ Index movement +15%	100%
Between Target & Stretch	> Index movement + 5% & <15%	Pro-rata
Target	**Index movement +5%**	**50%**
Between Threshold & Target	> Index movement & <5%	Pro-rata
Threshold	= Index movement	25%
Below Threshold	< Index movement	0%

^^ Provided that zero performance rights will vest if the SRL TSR is negative over the measurement period.

Each performance right, once vested, entitles the performance right holder to receive one fully paid ordinary share in the Company for zero consideration. The fair value of performance rights is determined by an independent third party using a Geometric Brownian Motion Model and a Monte Carlo simulation that takes into account the term of the performance rights, the probability of the performance rights continuous service condition being met, the underlying share price and benchmark share price values at grant date, the expected volatility of the underlying share and benchmark shares, the expected dividend yield of the underlying share and benchmark shares and the risk free interest rate for the term of the performance right.

The valuation model inputs used to determine the fair value at the grant date of the performance rights granted during the financial year and the comparative period are as follows:

Grant date	Expiry date	Share price at grant date	Volatility	Dividend Yield	Fair value at grant date
11-Sep-23	01-Jul-26	$0.89	69.65 %	–%	$0.23
27-Oct-23	01-Jan-26	$0.76	72.59 %	–%	$0.21
27-Oct-23	01-Jul-26	$0.76	69.48 %	–%	$0.40
07-Mar-24	01-Jan-27	$0.39	60.52 %	–%	$0.10
26-Jul-24	01-Jul-27	$0.41	75.26%	–%	$0.14
22-Oct-24	01-Jan-27	$0.35	75.98%	–%	$0.18
22-Oct-24	01-Jul-27	$0.35	75.98%	–%	$0.21
07-Mar-25	01-Jan-28	$0.28	80.00%	–%	$0.11

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

As at 30 June 2025

Entity Name	Body corporate, partnership or trust	Place of incorporation	Company's direct or indirect ownership interest 2025	Company's direct or indirect ownership interest 2024	Tax residency
Sunrise Energy Metals Limited	Body Corporate	Australia	N/A	N/A	Australia
SRL Holding Company Pty Ltd	Body Corporate	Australia	100%	100%	Australia
SRL Metals Pty Ltd	Body Corporate	Australia	100%	100%	Australia
Scandium Holding Company Pty Ltd	Body Corporate	Australia	100%	100%	Australia
SRL Ops Pty Ltd	Body Corporate	Australia	100%	100%	Australia
Sunrise Energy Exploration Pty Ltd	Body Corporate	Australia	100%	100%	Australia
SRL Clonagh Pty Ltd	Body Corporate	Australia	100%	100%	Australia

Key assumptions and judgements

Determination of Tax Residency

Section 295 (3A) of the *Corporations Act 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgements as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. In determining tax residency, the Consolidated Entity has applied the following interpretations:

- Australian tax residency

  The Consolidated Entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance Tax Ruling TR 2018/5.

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DIRECTORS' DECLARATION

For the year ended 30 June 2025

In the Directors' opinion:

- the attached consolidated financial statements and notes thereto, and the Remuneration Report in the Directors' Report, comply with the *Corporations Act 2001*, the Australian Accounting Standards, and the Corporations Regulations 2001;
- the attached consolidated financial statements and notes thereto, comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2(b) to the financial statements;
- the attached consolidated financial statements and notes thereto, give a true and fair view of the Consolidated Entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable; and
- the Consolidated Entity Disclosure Statement as at 30 June 2025 is true and correct.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Sam Riggall
Managing Director

8 September 2025
Melbourne

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Sunrise Energy Metals Limited

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KPMG

Independent Auditor's Report

To the shareholders of Sunrise Energy Metals Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Sunrise Energy Metals Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group's*** financial position as at 30 June 2025 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2025
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated cash flow statement for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2025
- Notes, including material accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards.* We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

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Going concern basis of accounting	
Refer to Note 2 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**

The Group's use of the going concern basis of accounting is a key audit matter due to the high level of judgement required by us in evaluating the Group's assessment of going concern and any events or conditions that may cast significant doubt on its ability to continue as a going concern. These are outlined in Note 2 (a).
 	
The Directors have determined that the use of the going concern basis of accounting is appropriate in preparing the financial report.
Their assessment of going concern was based on cash flow projections. The preparation of these projections incorporated a number of assumptions and judgements, and the Directors have concluded that the range of possible outcomes considered in arriving at this determination does not give rise to a material uncertainty casting significant doubt on the Group's ability to continue as a going concern.
 	
We critically assessed the cash flow projections focusing on the following:
 	
• the Group's planned level of operational expenditure, the extent to which they are discretionary, and the ability of the Group to manage cash outflows within available funding; and
 	
• the sufficiency of existing cash reserves to cover the planned levels of expenditure for at least the next twelve months.
 	
In assessing this key audit matter, we involved senior audit team members who understand the Group's business, industry and the economic environment it operates in.
	Our procedures included:
	
	• Analysing the cash flow projections by:
	
	  • Evaluating the underlying data used to generate the projections. We specifically looked for their consistency with the Group's intentions as outlined in Directors' minutes, the Board approved budget and strategy documents;
	
	  • Assessing the planned levels of operating expenditures for consistency with our understanding of the nature of expenditure that would be required given the status of the Sunrise Project and Syerston Scandium Project; and
	
	  • Analysing the impact of reasonably possible changes to the amount and timing of projected cash flows, and the projected periodic cash positions, and assessing the resultant impact on the ability of the Group to pay its debts as and when they fall due and continue as a going concern.
	
	• Evaluating the Group's going concern disclosures in the financial report by comparing them to our understanding of the relevant circumstances, and accounting standard requirements.

Other Information

Other Information is financial and non-financial information in Sunrise Energy Metals Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the *Remuneration Report* and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

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Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group, and in compliance with Australian Accounting Standards and the Corporations Regulations 2001
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf . This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Sunrise Energy Metals Limited for the year ended 30 June 2025, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 17 to 32 of the Directors' report for the year ended 30 June 2025.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with *Section 300A* of the *Corporations Act 2001*, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

James Dent

Partner

Melbourne

8 September 2025

SHAREHOLDER INFORMATION

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The additional shareholder information below, as required under the ASX Listing Rules, is current as at 8 August 2025.

Distribution of equity securities

The number of shareholders by size of holding of ordinary shares is:

Range	Total Holders	Units	% Units
1 to 1,000	2,492	989,297	0.84
1,001 to 5,000	1,431	3,627,848	3.09
5,001 to 10,000	578	4,303,997	3.67
10,001 to 100,000	573	15,157,070	12.93
100,001 and over	69	93,171,795	79.46
Rounding			0.01
Total	**5,143**	**117,250,007**	**100.00**

Unmarketable Parcel

	Minimum Parcel Size	Holders	Units
The number of shareholders holding less than a marketable ($500.00) parcel of shares at $1.20 per unit	417	1,496	282,363

The number of holders by size of holding of unquoted options over ordinary shares is:

Range	Total Holders	Units	% Units
1 to 1,000	1	4	0.00
1,001 to 5,000	185	570,523	2.48
5,001 to 10,000	335	2,084,755	9.07
10,001 to 100,000	5	236,980	1.03
100,001 and over	4	20,085,041	87.41
Rounding			0.01
Total	**530**	**22,977,303**	**100.00**

The following holders hold 20% or more of the unquoted options over ordinary shares:

Name of holder	Units	% Units
BNP PARIBAS NOMS PTY LTD	10,000,000	43.52
Kiril Sokoloff	5,000,000	21.76

Shareholder Information continued

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The number of holders by size of holding of unquoted performance rights, issued under the Company's Equity Incentive Plan (EIP) Rules, is:

Range	Total Holders	Units	% Units
1 to 1,000	–	–	–
1,001 to 5,000	–	–	–
5,001 to 10,000	–	–	–
10,001 to 100,000	1	25,682	0.79
100,001 and over	6	3,226,608	99.21
Rounding			–
Total	**7**	**3,252,290**	**100.00**

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of fully paid ordinary shares as at 8 August 2025 are listed below:

Rank	Name of Share Holder	Number of Shares Held	% of Total Shares Issued
1	BNP PARIBAS NOMS PTY LTD	31,535,042	26.90
2	CITICORP NOMINEES PTY LIMITED	16,799,767	14.33
3	PENGXIN INTERNATIONAL GROUP LIMITED	10,451,888	8.91
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,365,721	6.28
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,360,191	3.72
6	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	4,098,793	3.50
7	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	2,085,211	1.78
8	SALITTER PTY LTD <SALITTER A/C>	1,408,446	1.20
9	THIERVILLE PTY LTD <THE STAR SUPER FUND A/C>	1,381,046	1.18
10	MR GREGORY LEONARD TOLL + MRS MARGARET ESTELLE TOLL <TOLL S/F A/C>	906,253	0.77
11	JP MORGAN NOMINEES AUSTRALIA PTY LIMITED	795,010	0.68
12	MAL CLARKE & ASSOCIATES PTY LTD <MAL CLARK FAMILY A/C>	613,217	0.52
13	MR SAM RIGGALL	576,592	0.49
14	MR PETER PALAN + MRS CLARE PALAN <NAPLA PROVIDENT FUND A/C>	548,943	0.47
15	APRICITY PTY LTD <THE JTM FOUNDATION A/C>	547,015	0.47
16	MR JEREMY CARTER	521,031	0.44
17	ARRAS PTY LTD < B A OGILVIE SUPER FUND A/C>	500,000	0.43
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	479,053	0.41
19	MRS SHUYIN XIAO	312,438	0.27
20	MR DEAN GRAEME TURNER	300,000	0.26
Total Top 20 holders of Ordinary Fully Paid Shares		**85,585,657**	**72.99**
Total Remaining holders balance		**31,664,350**	**27.01**
Total Shares Issued		**117,250,007**	**100.00**

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Substantial holders

Substantial holders in the Company as detailed in the most recent public filings of Form 604 Notice of Change of Interests of Substantial Holder or Appendix 3Y Change of Director's Interest Notice are set out below. Percentage of total shares issued is based on the total shares on issue as at 8 August 2025 of 117,250,007.

	Ordinary Shares	
Name of Share Holder	Number held	% of total shares issued
Ivanhoe Capital Holdings Pte. Ltd	21,977,801	18.74%
SailingStone Capital Partners LLC	13,008,124	11.09%
Pengxin International Group Limited	10,451,888	8.91%
Grantham, Mayo, Van Otterloo & Co. LLC	6,740,997	5.75%
Kiril Sokoloff	6,000,000	5.12%

On-market buy-back

There is no current on-market buy-back in relation to the Company's securities as at 8 August 2025.

Restricted securities

There are no restricted securities on issue as at 8 August 2025.

Voting rights

The voting rights attached to ordinary shares are set out below. Other classes of equity securities do not have voting rights.

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Annual General Meeting

The Company's 2025 Annual General Meeting will be held on 13 November 2025 at 12.30pm (Melbourne time).

In accordance with clause 19.6 of the Company's constitution, the closing date for nomination of a director is 25 September 2025.

CORPORATE DIRECTORY

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Directors

Robert Friedland
(Co-Chairman and Non-Executive Director)

Jiang Zhaobai
(Co-Chairman and Non-Executive Director)

Sam Riggall
(Managing Director and Chief Executive Officer)

Stefanie Loader
(Lead Independent Non-Executive Director)

Eric Finlayson
(Independent Non-Executive Director)

Trevor Eton
(Non-Executive Director)

Company Secretary

Melanie Leydin
Vistra
Suite 2, Level 11, Bourke Street
Melbourne, Victoria 3000

Principal Place of Business & Registered Office

Level 6, 10-16 Queen Street
Melbourne, Victoria 3000

Telephone: +61 (03) 9797 6777

Share Registry

Computershare Investor Services Pty Ltd

Yarra Falls, 452 Johnson Street
Abbottsford, Victoria 3067

Telephone: +61 (03) 9415 5000
Facsimile: +61 (03) 9473 2500

Auditor

KPMG

Tower Two, Collins Place
727 Collins Street
Melbourne, Victoria 3008

Legal Advisors

Baker & McKenzie

Level 19, 181 William Street
Melbourne, Victoria 3000

Stock Exchange Listing

Sunrise Energy Metals Limited shares are listed on the Australian Securities Exchange (ASX:SRL) and the OTCQX Market in the United States (OTCQX:SREMF).

Website

www.sunriseem.com

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sunrise
energy metals

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