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Sunrise Energy Metals Limited

(ABN 34 127 457 916)

Half-Year Financial Report
31 December 2025

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Directors' Report

For the financial half-year ended 31 December 2025

The Directors present their report, together with the financial statements, on 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 half-year ended 31 December 2025, referred to hereafter as the 'financial half-year', and the Auditor's Review Report thereon.

DIRECTORS

The following persons were Directors of Sunrise Energy Metals Limited during the whole of the financial half-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)

PRINCIPAL ACTIVITIES

During the financial half-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') at Fifield in central New South Wales ('NSW'). Activities on the Syerston Project included on-going work to update the 2016 Syerston Scandium Project Feasibility Study, product marketing and other pre-development work. Activities at the Sunrise Project remain on a reduced basis 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 exploration activities in Queensland and, on a limited basis, at the Company's other mineral exploration tenements in NSW.

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

DIVIDENDS

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

REVIEW OF OPERATIONS

The Consolidated Entity reported a net loss after tax from continuing operations for the financial half-year of $3,810,000 (31 December 2024: loss of $2,726,000). During the financial half-year, the Consolidated Entity's other income from continuing operations decreased to $60,000 (31 December 2024: $111,000).

Workstreams associated with the update of the Syerston Scandium Project Feasibility Study, ongoing pre-development of the Sunrise Project and exploration activities in QLD and NSW resulted in a $3,577,000 net cash outflow from operating activities during the financial half-year (31 December 2024: net outflow $2,756,000). This net cash outflow from operating activities was financed from the increase in cash reserves during the period.

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The Consolidated Entity's net assets increased during the financial half-year by $37,798,000 to $47,965,000 (30 June 2025: $10,167,000). Working capital, being current assets less current liabilities, was a surplus of $47,838,000 (30 June 2025: $10,044,000 surplus), with cash reserves increasing from $10,714,000 to $47,942,000 during the financial half-year.

Syerston Scandium Project

During the financial half-year, the Consolidated Entity continued with ongoing activities associated with the update of the 2016 Syerston Scandium Project Feasibility Study ('Study') and to update and promote the stand-alone Project in response to positive developments in the global scandium (Sc) market. The Study is re-evaluating the base case for a small, high-grade (c. 550 ppm Sc cut-off) low capital intensive mine and processing facility that can easily expand to meet the expected future growing market demand for scandium as well as several emerging developments related to the use of scandium in alloys, semiconductors, communication and defense-related technologies (*refer to the Company's ASX announcements of 9 July 2024 and 7 March 2025 "Updated Syerston Scandium Project Presentation"*).

Key milestones achieved and activities conducted during the financial half-year include:

- On 9 September 2025, the Company announced the updated Syerston Mineral Resource Estimate (MRE) with 1,155 tonnes of scandium contained in the high-grade zones (600 ppm Sc cut-off) being classified as Measured or Indicated[1];
- On 21 October 2025, the Company announced the updated Syerston Ore Reserve Estimate (ORE) which increased contained scandium by 87% over the 2016 Ore Reserves, comprising a Proven and Probable ORE of ~2.0 million tonnes at an average grade of 644 ppm Sc over a projected 32-year project mine life, which forecasts a base case of 64,000 tonnes per annum (tpa) of feed to the process plant for annual production of circa 60 tpa scandium oxide (Sc_2O_3)[2];
- On 21 October 2025, the Company announced that a Letter of Interest (LOI) had been received from the Export-Import Bank of the United States (U.S. EXIM) for up to US$67 million in financing support for the Project, reinforced by U.S. EXIM on 20 October 2025 stating that the Project was one of seven Australian critical minerals projects that had received an LOI for financing support in cooperation with Export Finance Australia (EFA), under the U.S EXIM-EFA *Single Point of Entry Initiative*[3];
- On 24 October 2025, the Company announced that the Company and Lockheed Martin Corporation (Lockheed) are to cooperate on the establishment of an Australia-U.S. scandium supply chain to support Lockheed's product development efforts, with the Company granting Lockheed an option to purchase, for each of the initial five years of mining operations, the first 15 tonnes of Sc_2O_3 produced at the Project (or up to 75 tonnes of Sc_2O_3 over the five-year period); and
- Ongoing discussions with a range of end-users of both chemical-grade scandium oxide and scandium metal, with the aim of securing firm supply arrangements for the Project.

[1] Refer to the Company's ASX announcements of 17 March 2016, 30 August 2016, 28 September 2020, 5 February 2025 and 9 September 2025 for details of the previously reported MRE, including JORC 2012 disclosures

[2] For details and JORC 2012 disclosures of historically reported Syerston Mineral Resource and Ore Reserve Estimates, refer to the Company's ASX announcements of 17 March 2016, 30 August 2016, 28 September 2020, 5 February 2025, 9 September 2025 and 21 October 2025

[3] Refer to the Company's ASX announcement of 21 October 2025 "US EXIM Bank Refreshes Funding Support" for further details of the proposed financing support

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In addition to these milestones and activities, planning and the preparation of early works and pre-construction activities at Syerston Scandium Project commenced during the financial half-year, including the awarding in December to GR Engineering Services Limited (ASX:GNG) for the completion of a Front-End Engineering Design (FEED) Study on the process plant beneficiation and leaching circuit. Subsequent to the end of the period, in January 2026, the Consolidated Entity awarded an engineering contract to Clean Teq Water Limited (ASX:CNQ) for the ion exchange circuit and refinery. This Study and work is expected to be completed in mid-2026.

Sunrise Nickel-Cobalt Project

During the financial half-year, the Consolidated Entity continued the limited development of the Sunrise Nickel-Cobalt Project ('Sunrise Project').

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 continue to believe that Sunrise 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 holding costs and on preserving optionality.

During the financial half-year, commercial discussions continued with private landowners, local aboriginal land councils, the NSW State Government and other impacted parties required for land access agreements for an electrical transmission line ('ETL'). The Consolidated Entity either owns or has land access arrangements in place for most of the land it needs to build and operate the Sunrise Project and its supporting infrastructure. In some cases, existing land access agreements with rural landholders have now expired and are required to be renegotiated and extended.

EXPLORATION

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

Queensland

Clonagh Trend Farm-In and Joint Venture (Consolidated Entity earning up to a 75% 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 JV Manager, Continental Copper Pty Ltd ('Continental'), 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.

Exploration targets within the JV tenements have been determined with reference to anomalous groundwater geochemistry which in a number of instances exhibit higher polymetallic contents (copper, iron, manganese) than the groundwater within nearby mine areas.

Activities conducted on the exploration targets by Continental during the financial half year include:

- An initial 31 air-core (AC) Redox hole drilling campaign for 871 drill metres was completed in July 2025, consisting of 9 holes at Dianne (EPM 27559 and 27829) and 23 holes at Maureen-Lola (EPM 28004 and 27760); and

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- Following on from the AC drilling, a moving loop electro-magnetic (MLEM) survey was completed across the exploration area in December, resulting in a significant EM anomaly being defined. Preparatory work is now underway to commence drilling of the EM target in April/May 2026 following the end of the wet season and after other geophysics data has been collected and interpreted.



Photo: Conclurry Exploration Camp, Qld (Continental Copper), June 2025

Millungera Basin Joint Venture (Consolidated Entity earning an 80% Interest)

On 22 November 2025, the Consolidated Entity (via 100% subsidiary SRL Hot Rocks Pty Ltd) executed the "Farm-in Agreement – Millungera Basin JV" with Greenvale Energy Limited (ASX:GRV) whereby the Consolidated Entity is able to earn an 80% interest in the Millungera Basin tenements located in central Qld by spending $5 million over five years (minimum obligation before option to withdrawal of $50,000) over two expenditure periods: Phase 1 of $2 million over three years and Phase 2 of $3 million over two years.

The Millungera Basin tenement area is located approximately 120km east of Mount Isa, within the North-West Minerals Province and is prospective for its geothermal potential and the application of innovative exploration drilling techniques.

New South Wales

Other than general maintenance and statutory holding requirements, there were no exploration activities across the Consolidated Entity's exploration (EL) tenements in NSW.

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Directors' Report

For the financial half-year ended 31 December 2025

CORPORATE

During the financial half-year, the Company successfully executed three Placements with commitments totalling ~A$98 million to fund pre-construction activities and early works at the Syerston Scandium Project, namely:

- 17 November 2025: commitments to raise ~A$46 million at $4.25 per share for 10.7 million new shares, with Placement participants also subscribing to unlisted options on a 1- for-1 basis, exercisable at $4.25 per share over a two-year term expiring on 11 November 2027. Shares issued to related parties (directors) of the Company were subject to shareholder approval, which was given at a General Meeting of Shareholders on 22 January 2026 (*refer to the Company's ASX announcement of 17 November 2025 for further details*);
- 3 December 2025: commitments to raise ~A$19 million at $4.90 per share for 3.85 million new shares. The Placement shares were subject to shareholder approval, which was given at a General Meeting of Shareholders on 22 January 2026 (*refer to the Company's ASX announcement of 3 December 2025 for further details*); and
- 16 December 2025: commitments to raise ~A$33 million at $6.50 per share for 5 million new shares, with Placement participants also subscribing to unlisted options on a 1- for-1 basis, exercisable at $7.25 per share over a two-year term expiring on 31 January 2028. The Placement shares were subject to shareholder approval, which was given at a General Meeting of Shareholders on 22 January 2026 *(refer to the Company's ASX announcement of 16 December 2025 for further details*).

The combined proceeds from these Placements and the capital raising of A$7.5 million announced on 22 April 2025 amount to ~A$105 million, demonstrating the strong investor support for the Company while de-risking the financing for the Syerston Scandium Project.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than described elsewhere, there were no significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL HALF-YEAR

On 22 January 2026, the Company held a General Meeting of Shareholders to consider resolutions in relation to conditional shares issued to participants in the capital raisings undertaken in November 2025 and December 2025, including related parties. All resolutions put to Shareholders were carried on the votes cast on the poll taken at the meeting.

On 3 March 2026, the Company released the updated Syerston Scandium Project Feasibility Study, which demonstrates the robustness and economic viability of mining and processing 64,000 tonnes per annum (tpa) of ore for annual production of circa 60tpa scandium oxide (Sc_2O_3) over a projected 32 year project mine life.

Other than the above, there were no matters or circumstances that have arisen since the end of the half-year and the date of this report that have significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

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.

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Directors' Report

For the financial half-year ended 31 December 2025

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 9 and forms part of the Directors' report for the financial half-year ended 31 December 2025.

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 and Chief Executive Officer

12 March 2026
Melbourne

Previously Reported Information

The information in this announcement that references previously reported exploration results is extracted from the Company's ASX market announcements released on the date noted in the body of the text where that reference appears. The previous market announcements are available to view on the Company's website or on the ASX website (www.asx.com.au). The Company confirms that is not aware of any new information or data that materially affects the information included in the original announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Forward Looking Statements Disclaimer

Certain statements in this announcement 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 the Company 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 the Company'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 announcement are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors 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, the Company does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this announcement. For more information about Sunrise Energy Metals Limited, please visit the Company's website www.sunriseem.com.

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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 review of Sunrise Energy Metals Limited for the half-year ended 31 December 2025 there have been:

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

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

KPMG

James Dent

Partner

Melbourne

12 March 2026

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Consolidated statement of profit or loss and other comprehensive income

For the financial half-year ended 31 December 2025

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	Note	Consolidated 31 Dec 2025 $'000	Consolidated 31 Dec 2024 $'000
Other income	3	60	111
Interest income		275	171
Expenses			
Employee benefits expenses	4	(1,671)	(1,262)
Exploration and evaluation		(1,117)	(568)
Research and development test work		-	(8)
Depreciation and amortisation expenses		(82)	(80)
Legal and professional expenses		(716)	(583)
Occupancy expenses		(146)	(128)
Travel expenses		(133)	(107)
Other expenses		(276)	(266)
Finance costs		(4)	(6)
Loss before income tax benefit		(3,810)	(2,726)
Income tax benefit		-	-
Loss after income tax benefit		(3,810)	(2,726)
Other comprehensive income for the half-year		-	-
Total comprehensive income for the half-year		**(3,810)**	**(2,726)**
Total comprehensive income for the half-year is attributable to:			
Owners of the Company		(3,810)	(2,726)

	Consolidated 31 Dec 2025 Cents	Consolidated 31 Dec 2024 Cents
Earnings/(loss) per share attributable to Owners of the Company		
Basic earnings per share	(3.11)	(3.02)
Diluted earnings per share	(3.11)	(3.02)

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

Consolidated statement of financial position

As at 31 December 2025

	Note	Consolidated 31 Dec 2025 $'000	Consolidated 30 June 2025 $'000
Current assets			
Cash and cash equivalents		47,942	10,714
Trade and other receivables		587	405
Total current assets		48,529	11,119
Non-current assets			
Property, plant and equipment		98	112
Right of use assets		210	215
Other financial assets		77	76
Other non-current assets		19	19
Total non-current assets		404	422
Total assets		48,933	11,541
Current liabilities			
Trade and other payables		352	740
Employee benefits		207	262
Non-issued shareholder funds (options)		29	-
Lease liabilities		103	73
Total current liabilities		691	1,075
Non-current liabilities			
Employee benefits		150	138
Provisions		10	10
Lease liabilities		117	151
Total non-current liabilities		277	299
Total liabilities		968	1,374
Net assets		**47,965**	**10,167**
Equity			
Issued capital	5	346,349	305,401
Reserves	6	18,882	18,221
Accumulated losses		(317,266)	(313,455)
Total equity		**47,965**	**10,167**

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 financial half-year ended 31 December 2025

Consolidated	Contributed Equity $'000	Accumulated Losses $'000	Reserves $'000	Total Equity $'000
Balance at 1 July 2024	298,091	(307,249)	17,868	8,710
Total comprehensive income for the financial half-year	-	(2,726)	-	(2,726)
Transactions with owners in their capacity as owners:				
Share-based payments	-	-	188	188
Total contribution and distribution:	-	(2,726)	188	(2,538)
Balance at 31 December 2024	298,091	(309,976)	18,056	6,172
Balance at 1 July 2025	305,401	(313,455)	18,221	10,167
Total comprehensive income for the financial half-year	-	(3,810)	-	(3,810)
Transactions with owners in their capacity as owners:				
Equity contributions, net of transaction costs	40,948	-	-	40,948
Share-based payments	-	-	661	661
Total contribution and distribution:	40,948	(3,810)	661	37,798
Balance at 31 December 2025	**346,349**	**(317,266)**	**18,882**	**47,965**

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

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Consolidated statement of cash flows

For the financial half-year ended 31 December 2025

	Consolidated	
	31 Dec 2025 $'000	31 Dec 2024 $'000
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(3,796)	(3,018)
Cash used in operating activities	(3,796)	(3,018)
Interest received	223	185
Payments of interest on leases	(4)	(6)
Research and development tax incentive/government grants received	-	83
Net cash used in operating activities	(3,577)	(2,756)
Cash flows from investing activities		
Payments for property, plant and equipment	(6)	(4)
Rental income	66	79
Other receipts	-	43
Net cash from investing activities	60	118
Cash flows from financing activities		
Proceeds from issue of shares, net of issuance costs	40,804	-
Payments of principal for rental leases	(59)	(55)
Receipts from/(payments to) cash on deposit for bank guarantee security	-	(30)
Net cash from financing activities	40,745	(85)
Net increase/ (decrease) in cash and cash equivalents	37,228	(2,723)
Cash and cash equivalents at the beginning of the period	10,714	8,756
Cash and cash equivalents at the end of the period	**47,942**	**6,033**

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

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Notes to financial statements

For the financial half-year ended 31 December 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 ('Sunrise Energy Metals' or 'Company') 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 is a for-profit listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 6, 10 Queen St
Melbourne VIC 3000
Australia

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 12 March 2026.

Note 2. Going concern, basis of preparation and significant accounting policies

These general-purpose financial statements for the financial half-year reporting period ended 31 December 2025 have been prepared in accordance with *Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with *AASB 134* ensures compliance with *International Financial Reporting Standard IAS 34 'Interim Financial Reporting'*.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the Annual Report for the year ended 30 June 2025.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

(a) 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.

(b) New accounting standards and interpretations adopted

A number of new accounting standards are effective from 1 July 2025 but the Consolidated Entity has no transactions that are materially affected by the newly effective standards or its accounting policies are already consistent with the new requirements.

(c) 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 half-year of $3,810,000 (31 December 2024: loss of $2,726,000).

Net cash outflows from operating activities were $3,577,000 for the financial half-year (31 December 2024: net outflow $2,756,000), with cash reserves increasing from $10,714,000 to $47,942,000 during the financial half-year.

Current assets less current liabilities, was a surplus of $47,838,000 (30 June 2025: $10,044,000 surplus).

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

- The Consolidated Entity has available cash on hand as at 31 December 2025 of $47,942,000;
- Subsequent to the end of the financial half-year, in January 2026, the Consolidated Entity received an additional $59,178,000 in equity from the November 2025 and December 2025 Placements that was conditional on Shareholder approval (which was given at a General Meeting of Shareholders on 22 January 2026);
- 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 March 2027;
- The Consolidated Entity has sufficient funds to undertake forecast activities across its active exploration assets, including associated farm-in obligations;
- The Consolidated Entity has budgeted and forecast limited development and exploration expenditure at the Sunrise Nickel-Cobalt Project for the foreseeable future until market conditions for nickel and cobalt improve and a suitable external funding package is secured for the Project; and
- The Consolidated Entity is confident it can continue to access equity funding to meet medium term working capital requirements and has a history of securing such funding from its major shareholders and from new shareholders as required.

The Directors note that there remains a number of prevailing global factors which are beyond the control of the Consolidated Entity, including the general inflationary environment, high interest rates, global conflicts, political and trade disputes and disruption to supply chains.

However, the Directors are confident that the Consolidated Entity will be able to secure the remaining financing to support the construction of the stand-alone Syerston Scandium Project, which is planned to commence from mid-2026 soon after the expected final investment decision (FID) to proceed with the project is given.

On the basis of cash and cash equivalents available as at 31 December 2025, cashflow forecasts to 31 March 2027 and that sufficient funding has been 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.

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Note 3. Other income

	Consolidated	
	31 Dec 2025 $'000	31 Dec 2024 $'000
Other income		
Sundry income	-	43
Rental income	60	68
Other income	**60**	**111**

Note 4. Employee benefits expenses

	Consolidated	
	31 Dec 2025 $'000	31 Dec 2024 $'000
Wages and salaries	(824)	(888)
Employee entitlements expense including movements in provisions for employee entitlements	(63)	(55)
Superannuation	(85)	(83)
Equity settled share-based payments	(661)	(188)
Other costs	(38)	(48)
	(1,671)	**(1,262)**

Note 5. Equity – issued capital

	Consolidated			
	31 Dec 2025 Shares	30 Jun 2025 Shares	31 Dec 2025 $'000	30 Jun 2025 $'000
Ordinary shares – fully paid	**132,525,504**	115,227,404	**346,349**	305,401

Movements in ordinary share capital

Details	Date	Shares	Issue Price*	$'000
Balance	1 Jul 2025	115,227,404		305,401
Movement	various	17,298,100	$2.38	40,948
Balance	**31 Dec 2025**	**132,525,504**		**346,349**

* weighted average

During the period from July to December 2025, the Company issued 8,401,629 ordinary shares following the exercise of unlisted options by option holders at a price of $0.40 per share. Additionally on 20 November 2025, the Company issued 8,896,471 ordinary shares under a Placement at an issue price of $4.25 per share.

Note 6. Equity – reserves

	Consolidated	
	31 Dec 2025 $'000	30 Jun 2025 $'000
Share based payments reserve	20,917	20,256
Other reserves	(2,035)	(2,035)
	18,882	**18,221**

Movements in reserves
Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Share based payments $'000	Other $'000	Total $'000
Balance as at 1 July 2025	20,256	(2,035)	18,221
Share based payments	661	-	661
Balance as at 31 December 2025	**20,917**	**(2,035)**	**18,882**

Note 7. Equity – dividends

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

Note 8. Events after the reporting period

On 22 January 2026, the Company held a General Meeting of Shareholders to consider resolutions in relation to conditional shares issued to participants in the capital raisings undertaken in November 2025 and December 2025, including related parties. All resolutions put to Shareholders were carried on the votes cast on the poll taken at the meeting.

On 3 March 2026, the Company released the updated Syerston Scandium Project Feasibility Study, which demonstrates the robustness and economic viability of mining and processing 64,000 tonnes per annum (tpa) of ore for annual production of circa 60tpa scandium oxide (Sc_2O_3) over a projected 32 year project mine life.

Other than the above, there were no matters or circumstances that have arisen since the end of the half-year and the date of this report that have significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

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Note 9. Share-based payments

Sunrise Energy Metal's approach to remuneration is to ensure that employee remuneration 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 performance rights and options over ordinary shares of the Company granted 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. Vesting is contingent on the Company meeting or exceeding performance hurdles over the performance period. The performance hurdles involve an assessment of the Company's total shareholder returns in absolute terms and relative to the S&P/ASX 300 Metals and Mining Index (XMM).

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. There are currently no options issued under the EIP.

Set out below are summaries of performance rights granted as at 31 December 2025:

Grant date	Expiry date	Exercise price	Balance at the start of the financial half-year	Granted	Vested	Expired/ forfeited/ other*	Balance at the end of the financial half-year
24-Aug-22	1-Jul-25	$0.00	37,266	-	-	(37,266)	-
21-Oct-22	1-Jul-25	$0.00	146,444	-	-	(146,444)	-
14-Mar-23	1-Jan-26	$0.00	49,288	-	-	-	49,288
11-Sep-23	1-Jul-26	$0.00	95,046	-	-	-	95,046
27-Oct-23	1-Jan-26	$0.00	193,683	-	-	-	193,683
27-Oct-23	1-Jul-26	$0.00	358,329	-	-	-	358,329
7-Mar-24	1-Jan-27	$0.00	178,531	-	-	-	178,531
22-Oct-24	1-Jan-27	$0.00	801,482	-	-	-	801,482
26-Jul-24	1-Jul-27	$0.00	222,217	-	-	-	222,217
22-Oct-24	1-Jul-27	$0.00	968,542	-	-	-	968,542
7-Mar-25	1-Jan-28	$0.00	385,172	-	-	-	385,172
13-Nov-25	1-Jan-28	$0.00	-	1,678,798	-	-	1,678,798
12-Aug-25	1-Jul-28	$0.00	-	125,701	-	-	125,701
13-Nov-25	1-Jul-28	$0.00	-	534,513	-	-	534,513
			3,436,000	**2,339,012**	**-**	**(183,710)**	**5,591,302**

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

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 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 grant date of the performance rights granted during the financial half-year are as follows:

Grant date	Expiry date	Share price at grant date	Volatility	Dividend Yield	Fair value at grant date
13-Nov-25	01-Jan-28	$4.16	110.97 %	-%	$ 4.03
12-Aug-25	01-Jul-28	$1.32	100.00 %	-%	$ 0.57
13-Nov-25	01-Jul-28	$4.16	110.97 %	-%	$ 3.86

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Directors' declaration

For the financial half-year ended 31 December 2025

In the opinion of the Directors of Sunrise Energy Metals Limited ('Company') and its controlled entities ('Consolidated Entity'):

a) the consolidated financial statements and notes set out on pages 14 to 19, are in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2025 and of its performance, for the six-month period ended on that date; and

   ii. complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

b) there are reasonable grounds to believe that the Company and the Consolidated Entity will be able to pay their debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

On behalf of the Directors



_____

Sam Riggall
Managing Director and Chief Executive Officer

12 March 2026
Melbourne

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Independent Auditor's Review Report

To the shareholders of Sunrise Energy Metals Limited

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying ***Half-year Financial Report*** of Sunrise Energy Metals Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Sunrise Energy Metals Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Consolidated Entity's*** financial position as at 31 December 2025 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Half-year Financial Report*** comprises:

- Consolidated statement of financial position as at 31 December 2025
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date
- Notes 1 to 9 including selected explanatory notes
- The Directors' Declaration.

The ***Consolidated Entity*** comprises Sunrise Energy Metals Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report.

We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of annual financial reports of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2025 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

James Dent

Partner

Melbourne

12 March 2026

Corporate Directory

31 December 2025

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

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Melbourne VIC 3000
Telephone: +61 3 9797 6777

SHARE REGISTER

Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnson Street
Abbottsford, Victoria, 3067
Telephone: +61 3 9415 5000

AUDITOR

KPMG
Tower 2, Collins Place
727 Collins Street
Docklands, Victoria 3008

LEGAL ADVISOR

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 Code: SRL) and OTCQX Market in the United States (OTCQX Code: SREMF)

WEBSITE

www.sunriseem.com

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