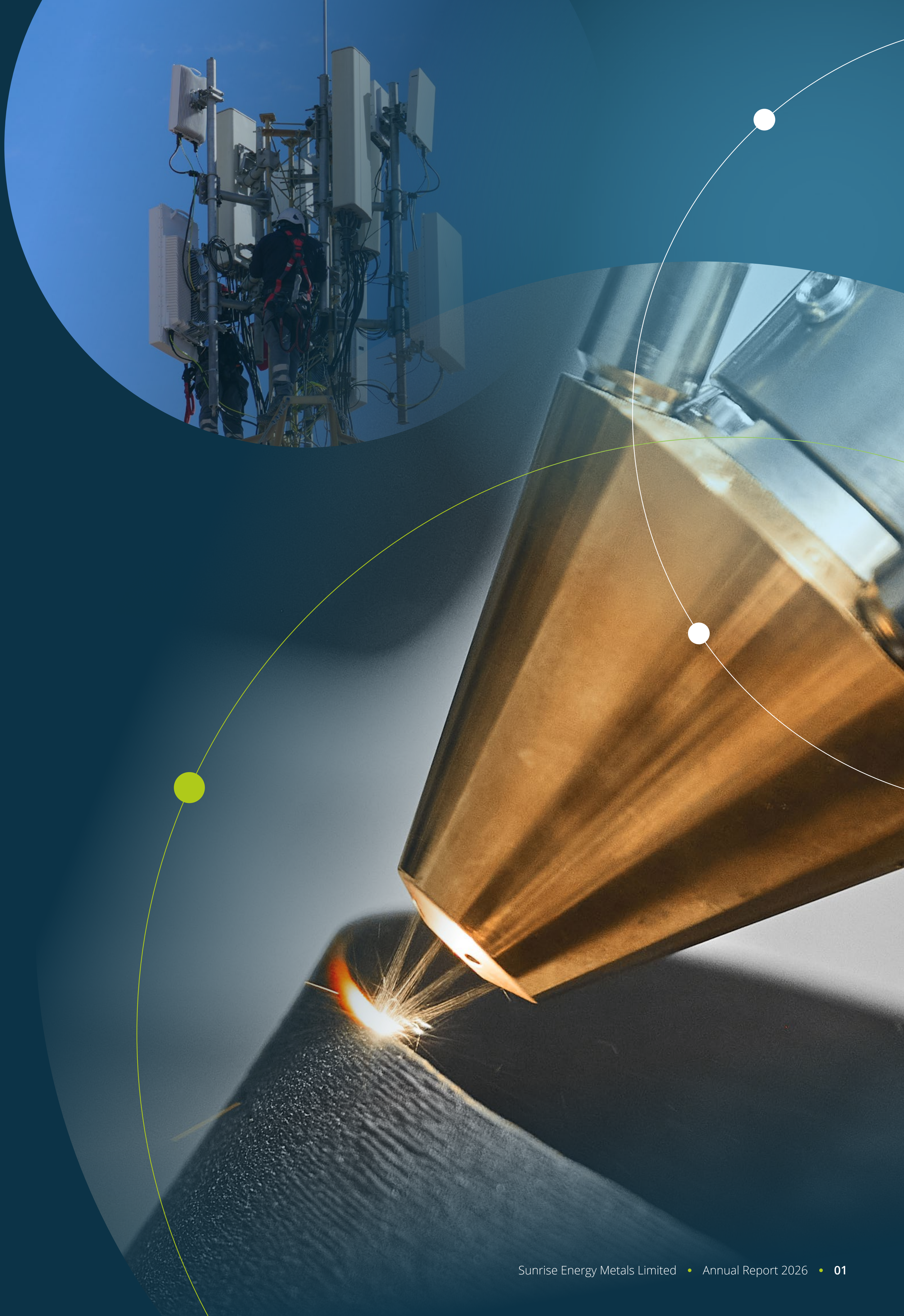
Unlocking Value

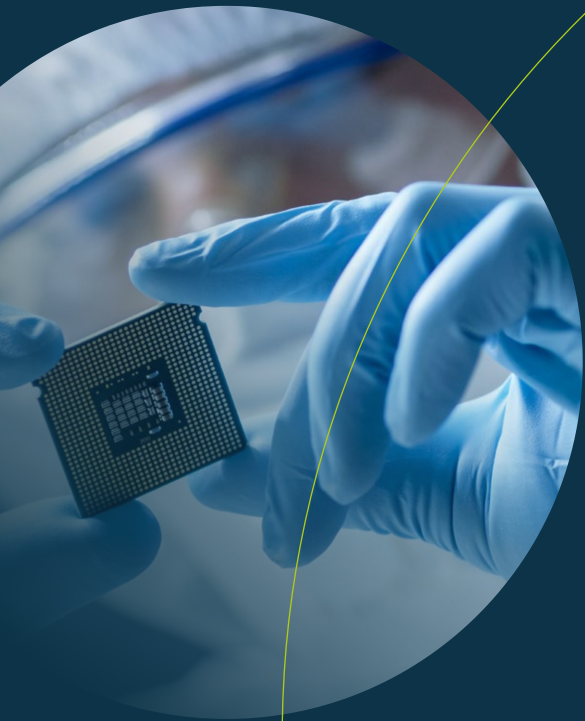
sunrise energy metals

Annual Report 2026

Sunrise Energy Metals Limited (ASX:SRL: OTCQX:SREMF) (Sunrise or Company) is developing the Syerston Scandium Project in central New South Wales, Australia, with the aim of delivering the world's first source of mineable, primary high-grade scandium. Sunrise also owns the adjacent Sunrise Nickel-Cobalt Project, one of the largest and most cobalt-rich nickel laterite deposits in the world. For more information on both projects visit www.sunriseem.com.

Sunrise Energy Metals Limited
ABN 34 127 457 916
ASX : SRL





Vision

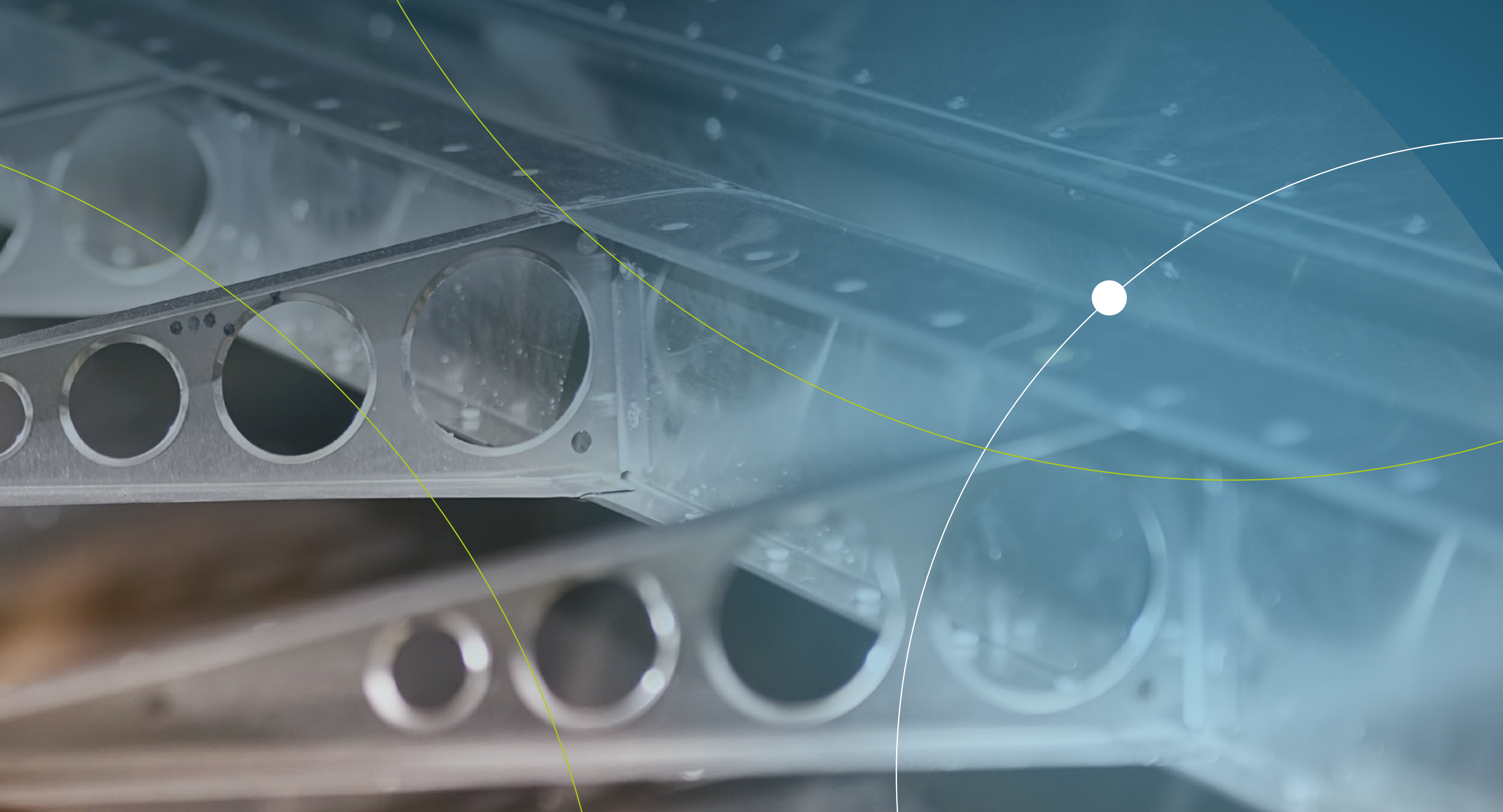
Sunrise Energy Metals' vision is to create a sustainable, long-term, value-creating business through positive innovation and disruptive change.

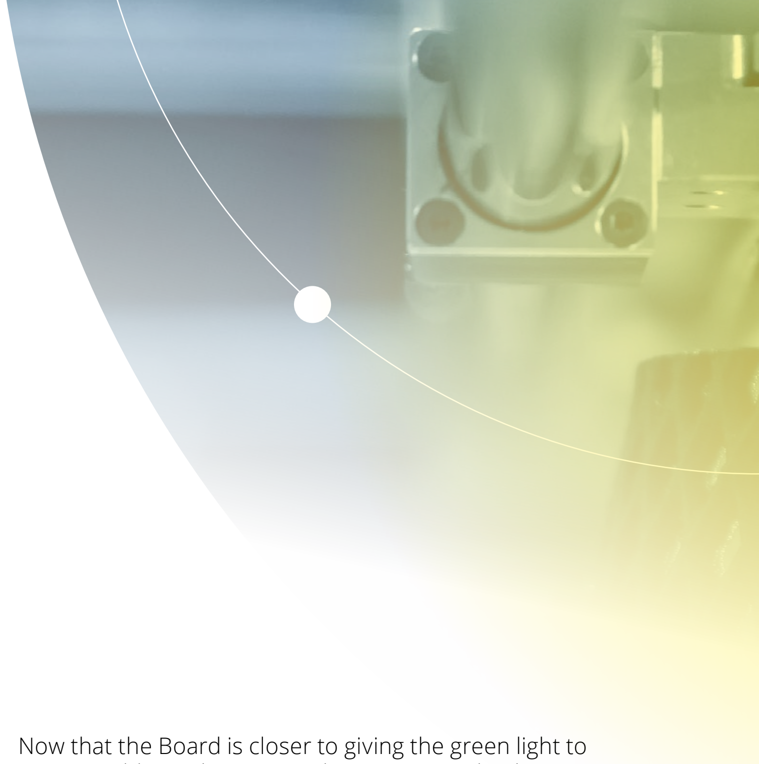
Core Values

Invested – we achieve positive outcomes for all our stakeholders. We are committed to creating and sustaining value from our assets and core technologies.

Connected – we actively interact to leverage our combined capabilities to deliver better solutions.

Prepared to be different – we have the courage to pursue excellence and are prepared to do things differently to add value, while managing the risks in our business.





Message from the Chairman and MD/CEO

Robert Friedland
Chairman & Non-Executive Director

Sam Riggall
Managing Director (MD) and Chief Executive Officer (CEO)

Dear Shareholders,

The completion of the Syerston Scandium Project Feasibility Study in early 2026 marks a pivotal moment, not just for Sunrise, but for the Western world's ability to access a metal that is rapidly becoming indispensable in a diverse range of key technologies. Our Syerston Project is one of the very few projects in the world capable of delivering high-purity scandium at the scale and unit cost needed to underwrite long-term supply security in communications, aerospace and semiconductor technologies.

The Company's decision in FY25 to update evaluation studies as a precursor to fast tracking the development at Syerston was supported by our increasing confidence that the demand growth for scandium over the next decade and beyond will be substantial. We estimate that scandium oxide demand will grow exponentially by 2035, driven by solid oxide fuel cell deployments for AI data centre power generation, defence and aerospace applications and next-generation semiconductors.

During the financial year, the Company successfully executed three equity placements with commitments totalling ~A$98 million to fund the pre-construction activities and early works at Syerston that are now nearing completion. This equity injection demonstrates the strong investor support for the Company, while de-risking the financing for the upcoming construction of the Project in central New South Wales.

Chinese export licensing restrictions over many critical metals, including scandium, has highlighted the vulnerability of western supply chains. These restrictions have resulted in an extremely tight market for scandium throughout 2025 and 2026, reflected in the decisions of many governments to begin building strategic stockpiles and support development of western supply sources.

Pleasingly, Government financing support in the U.S., Europe and South-East Asia for strategic mineral projects is accelerating. These policy responses are expected to support higher, more stable pricing for suppliers like Sunrise, while providing western customers with secure supply. In October 2025, we were pleased to announce the support from the U.S. Export-Import Bank (EXIM) for up to US$67 million in conditional project debt funding and in August this year, we announced the conditional financing commitment from the U.S. Department of War's Office of Strategic Capital (OSC) for up to US$400 million in long-term debt financing to be made available in a number of phases subject to the Company's achievement of project milestones and other prescribed conditions precedent.

Now that the Board is closer to giving the green light to commit additional money and resources and to begin site construction works at Syerston, the Company is targeting commissioning of the mine, process plant and refinery in 1H28 with an initial scandium oxide capacity of 60 tonnes per annum.

The Company and Lockheed Martin Corporation have agreed to cooperate on the establishment of an Australia-U.S. scandium supply chain to support Lockheed Martin's product development efforts. Lockheed Martin secures an option to purchase the first 15 tonnes per annum of scandium oxide from the Syerston Project over an initial five-year period, or approximately 25% of forecast production, subject to formalising offtake terms. We are excited to be working with Lockheed Martin on this important initiative, one which underscores the importance of the U.S.-Australia Critical Minerals Alliance, signed by U.S. President Trump and Australian Prime Minister Albanese at the White House in August 2025. We expect that cross-border industrial partnerships, especially in the defense sector, will become increasingly important as global supply chains reorient to a new geopolitical reality.

We would both like to take this opportunity to personally thank Jiang Zhaobai, the founder and head of the Pengxin International Group for his support, leadership and guidance over a number of years as Sunrise's Co-Chairman. We wish him all the success in his future endeavours.

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 the critical minerals market that is increasingly central to the next wave of technological and industrial innovation.

Yours sincerely,

Robert Friedland
Chairman

Sam Riggall
MD/CEO

Understanding Global Demand

Scandium

Scandium (Sc) is emerging as one of the most strategically important yet supply-constrained metals in the global economy—critical to the next generation of lightweight alloys, clean energy systems and advanced defense technologies. Despite its transformative properties, global supply remains limited and heavily concentrated, with China controlling the vast majority of production.

Sunrise is positioned at the forefront of this global shift. Its flagship 100% owned Syerston Scandium Project in central New South Wales is widely recognised as one of the world's largest and highest-grade scandium resources, offering the potential to redefine global supply chains and provide a secure, long-term Western source of the critical metal.

At scale, scandium enables step-change improvements in performance: aluminium-scandium alloys deliver stronger, lighter materials for the aerospace and transport sectors; solid oxide fuel cells support energy transition and AI infrastructure and advanced electronics rely on scandium for modern wireless telecommunications hardware.

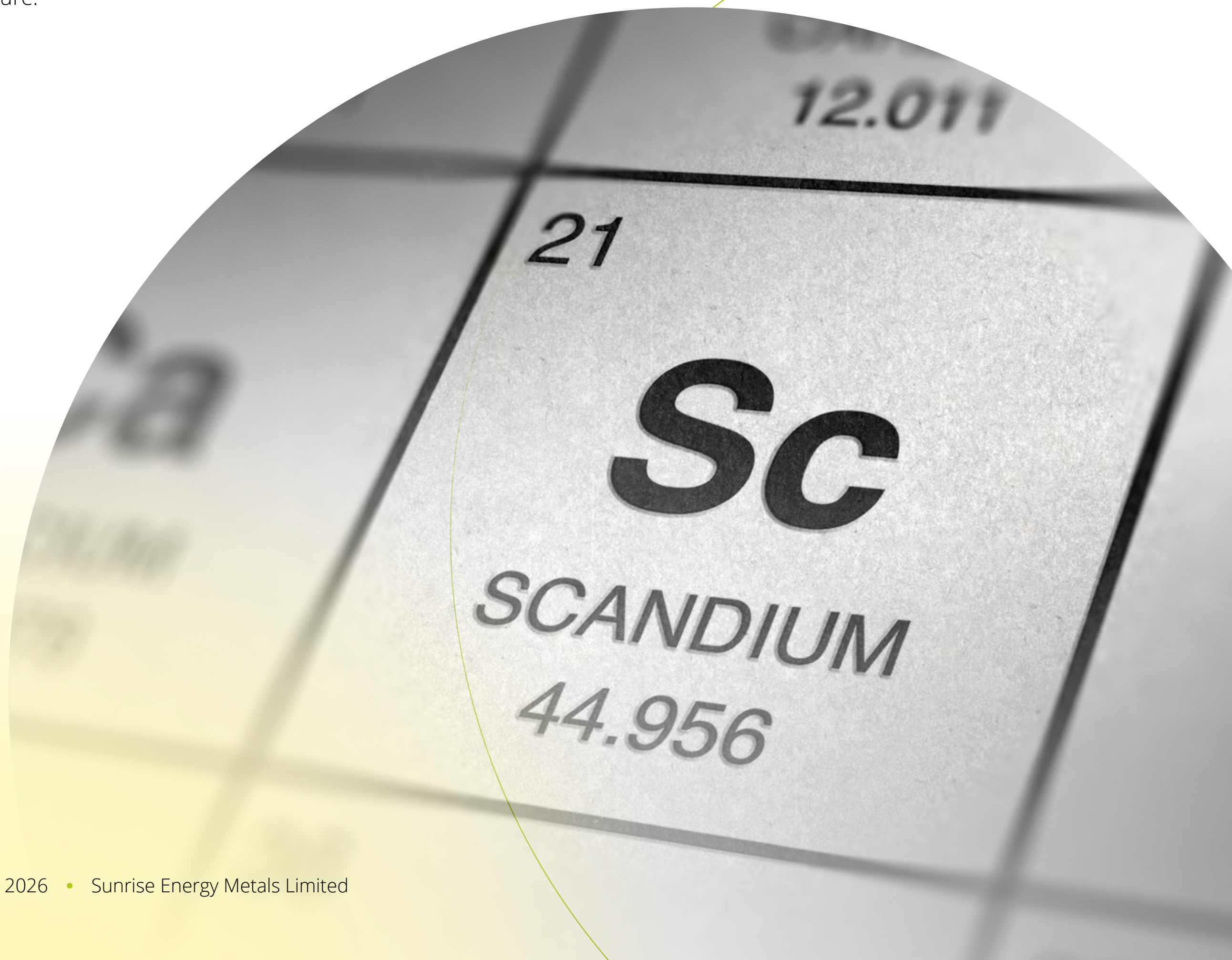
With demand forecast to grow rapidly and supply alternatives increasingly sought by governments and industry across the western world, scandium is transitioning from a niche curiosity to a highly sought after critical mineral. Sunrise's strategy—to deliver reliable, multi-decade production from a high-grade, low-cost resource—positions the Company to play a defining role in unlocking the value of scandium's commercial potential and of underpinning the critical materials of the future.

Macro Driven Demand

Sunrise estimates current global demand stands at approximately 50-60 tonnes of scandium oxide (equivalent) per year, having grown at an estimated 19% compound annual growth rate (CAGR) since 2017.

The Company's forecast for scandium demand growth is based on demand guidance provided to the Company by end-users of scandium in the fuel cell, aluminium alloy and semiconductor markets, as well as public statements made by those companies.

The Company anticipates that over the next decade scandium demand will continue to increase to several hundreds of tonnes, driven initially by solid oxide fuel cells, before significant growth in the advanced alloy market becomes the primary driver.



Semiconductors

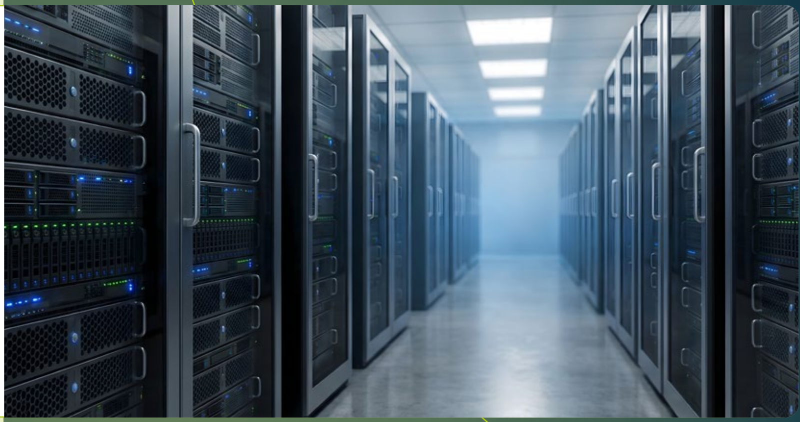
Scandium metal is used to produce aluminum-scandium-nitride (AlScN) thin films in advanced chips, delivering exceptional performance in radio frequency (RF) filtering, non-volatile memory, high-power wireless transmission and optical sensing

Advanced Aerospace Alloys

Aluminium-scandium (ALSc) alloys deliver exceptional strength-to-weight ratios essential for next-generation military and commercial aircraft, especially in the powder production of aluminium-scandium-magnesium alloys for 3D-printed components

Solid Oxide Fuel Cells (SOFCs)

Scandium-doped ceramic electrolytes in SOFCs enable highly efficient power generation, particularly important for rapidly deployable power for AI data centres, off-grid industrial sites, logistics centres and commercial offices

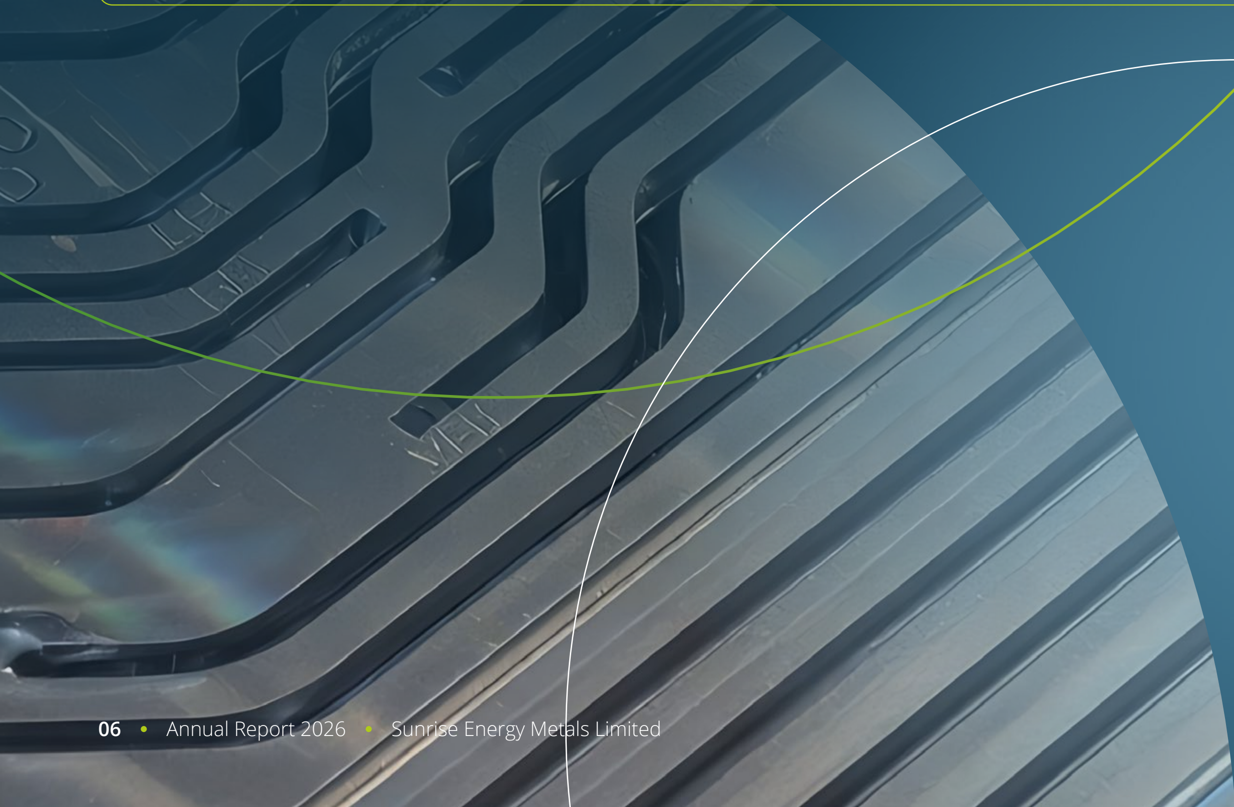


Feasibility Study Highlights

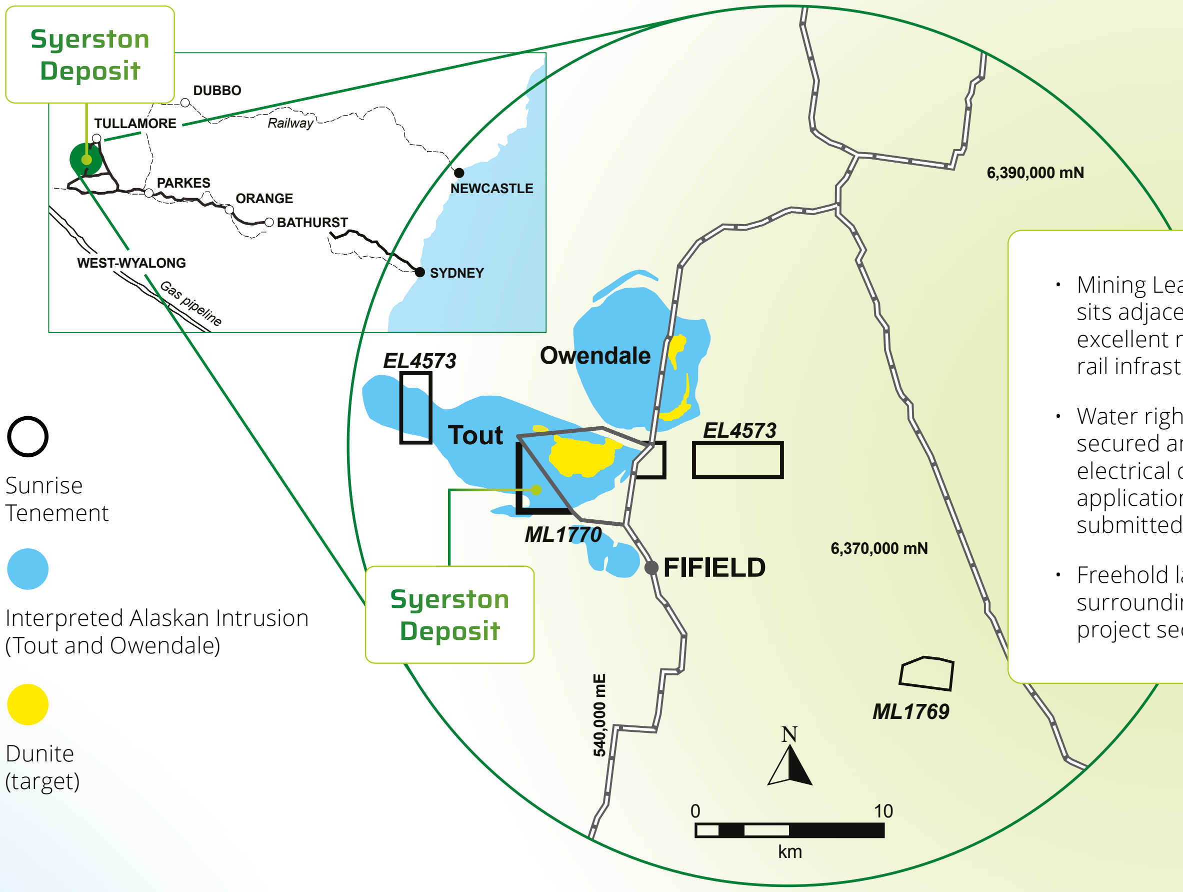
Syerston Scandium Project 2026 Feasibility Study Highlights*

- Long life operation, high grade deposit at 665ppm Sc average feed grade
- Open pit mine, low cost, simple processing flow sheet to produce an initial 60 tonnes per annum of scandium oxide (Sc_2O_3) for export over 32 years
- Located in Australia – securing scandium supply for the Western world's increasing requirements
- Key permits and majority of regulatory approvals secured
- Shovel ready mine
- Expandable and scalable processing facility to meet the growing global demand for both Sc_2O_3 and scandium metal

* for further details and JORC 2012 disclosures, refer to the Company's ASX announcement of 3 March 2026: "Feasibility Study Demonstrates Scalable Operation"



Syerston Scandium Project: location and infrastructure



- Mining Lease 1770 sits adjacent to excellent road and rail infrastructure.
- Water rights secured and the electrical connection application is submitted.
- Freehold land rights surrounding the project secured.

2026 Feasibility Study Highlights

60tpa[1]
Phase 1 production over 32 year asset life

24 month
Construction period

665ppm[2] Sc
Life of Mine Feed grade

32 year
Asset Life

1. tpa – tonnes per annum
2. ppm – parts per million

Unlocking Value – The Next Steps

Sunrise is firmly entrenched in its upward growth phase and is focused on unlocking value for all stakeholders in Australia and overseas over the coming 24 months.

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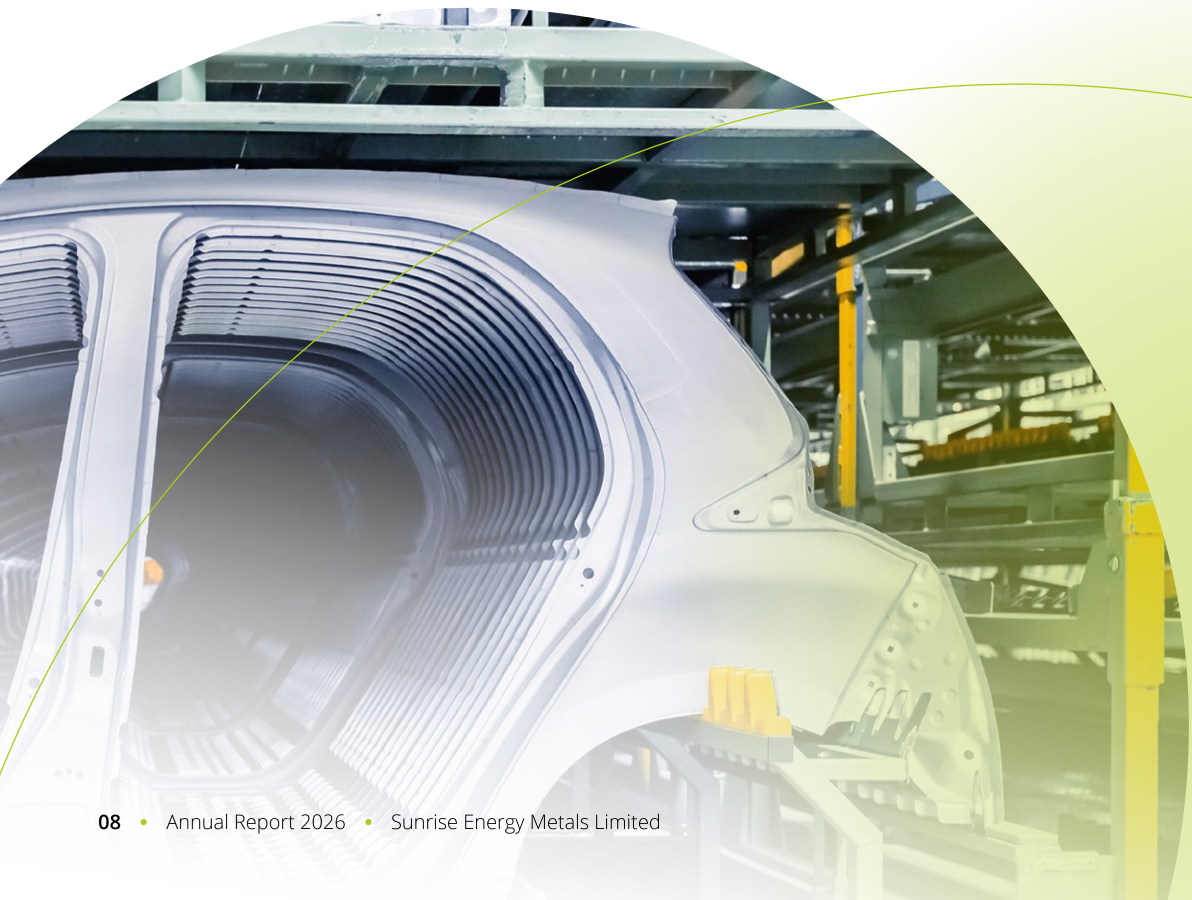
The next steps over the coming financial year include:

- the advancement and completion of critical path activities required to transition the Syerston Project into construction, commissioning and production, namely:
  - GR Engineering Services Limited, the lead Engineering and Procurement (E&P) contractor, to manage the implementation of the final engineering design for the processing facility and associated infrastructure;
  - the external review of the Ion Exchange (IX) circuit and refinery design engineering to de-risk execution and to optimise process performance;
  - activities required to obtain the final regulatory approval of the mine, tailings storage facility (TSF) and evaporation pond;
  - completion of the placement of orders for the long-lead and schedule-critical equipment packages;
  - the expansion case concept study and downstream metallisation studies;
  - further onboarding and mobilisation of the owner's team to oversee the execution and governance of the construction and commissioning of the mine and processing plant; and
  - final investment decision (FID) and commence construction.
- the conclusion to securing long-term customers and the execution of binding off-take arrangements for Syerston produced scandium oxide;
- the technical activities for advanced high strength, light weight alloys (containing scandium) in aerospace, military and automotive applications and the growth of scandium in semiconductor and energy storage, coupled with ongoing work on downstream metallisation and fluorination processes along the various supply chains in the U.S, Asia and Europe; and
- the commencement of high-level studies on the expansion of the Syerston processing facility and the potential for downstream processing and integration.



The U.S. Department of War's Office of Strategic Capital has announced a conditional loan commitment for up to US$400m for the Syerston Scandium Project.

Directors' Report

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 2026 ('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 (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)

Peter Arnell (Independent Non-Executive Director) – appointed as a director from 12 May 2026

Jiang Zhaobai (Co-Chairman and Non-Executive Director) – resigned as a director on 6 May 2026

Directors' profiles

Name:	Mr Robert Friedland
Title:	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 and became sole Chairman on 6 May 2026. 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.

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) Chairman, VRB Energy (private)
Former directorships (last 3 years):	Pure Lithium Corporation (private) (resigned December 2025)
Special responsibilities:	Nil
Interests in shares:	33,654,272 fully paid ordinary shares
Interests in options:	1,176,471 unlisted options
Interests in rights:	Nil

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:	2,370,937 fully paid ordinary shares
Interests in options:	Nil
Interests in rights:	3,983,335 unlisted performance rights

Directors’ Report continued

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:	32,000 fully paid ordinary shares
Interests in options:	Nil
Interests in rights:	Nil

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):	Ore Resources Limited (ASX:OR3) (resigned 22 November 2023)
Special responsibilities:	Member of the People, Governance and Sustainability Committee and the Audit, Finance and Risk Committee. Since 1 September 2024, Mr Eton has provided corporate finance consulting services to the Consolidated Entity, on a part-time basis, in his role as Chief Financial Officer under the terms of a Consultancy Services Contract.
Interests in shares:	22,000 fully paid ordinary shares
Interests in options:	Nil
Interests in rights:	Nil

Name:	Mr Peter Arnell
Title:	Independent Non-Executive Director
Qualifications:	
Experience and Expertise:	Mr Arnell is a globally recognised brand and industrial design expert. As the founder of Arnell Group and current Chairman and Chief Creative Officer of PETERARNELL, he has built an unparalleled reputation for corporate value creation. For over four decades, Mr Arnell has revolutionised the branding landscape, creating and transforming iconic brands including DKNY, Pepsi, Samsung, Reebok and Fontainebleau, as well as serving as Chief Innovation Officer for both Chrysler and The Home Depot. Most recently, Mr Arnell was appointed Chief Brand Architect of the United States of America (USA), where he leads the strategic and creative development of a unified national design and brand system, so defining how the USA expresses itself across identity, communications, services, systems, and citizen experience. Mr Arnell was appointed a Director of Sunrise Energy Metals on 12 May 2026.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	Nil
Interests in options:	Nil
Interests in rights:	Nil

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	**4**		**3**		**4**	
Robert Friedland	4	–	–	–	–	–
Jiang Zhaobai	4	4	–	–	–	–
Stef Loader	4	4	3	3	4	4
Sam Riggall	4	4	–	–	–	–
Trevor Eton	4	4	3	3	4	4
Eric Finlayson	4	3	3	3	4	4
Peter Arnell	–	–	–	–	–	–

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. Until his resignation as Co-Chairman on 6 May 2026, Jiang Zhaobai was not a fluent English speaker and as so, the Company took steps to ensure that Mr Jiang understood and contributed to the business of the Board in order that he was able to discharge his duties effectively. To the extent that any Director is unable to attend meetings, the Managing Director or the Lead Independent Non-Executive Director ensure that their views are represented to the Board.

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 NickelCobalt Project ('Sunrise Project') in central New South Wales ('NSW'). Activities on the Syerston Project included the completion of an updated Feasibility Study in January 2026, the commencement of process plant engineering studies, product marketing and planning for future metallisation studies, resource infill definition drilling, long lead time equipment package procurement and other early works.

Activities at the Sunrise Project were further reduced during the period as resources were reallocated to the Syerston Project while the project remains uneconomic due to a surplus of nickel and cobalt supply from the Indonesian nickel sector and the depressed nickel price.

The Consolidated Entity also continued with its farmin 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 2026, the loss after tax for the Consolidated Entity's continuing operations amounted to $15,171,000 (2025: loss after tax of $6,206,000).

The Consolidated Entity's other income from continuing operations increased to $2,747,000 (2025: $453,000), due to increased interest income.

Mineral exploration activities and the ongoing development of the Consolidated Entity's metals portfolio resulted in $6,622,000 (2025: $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 $102,975,000 during the financial year to $113,142,000 (2025: $10,167,000). Working capital, being current assets less current liabilities, amounted to a surplus of $112,432,000 (2025: $10,044,000), with cash and cash equivalents increasing from $10,714,000 to $115,439,000 during the financial year.

Syerston Scandium Project

The Syerston scandium (Sc) deposit is currently the world's largest and highest-grade source of mineable scandium on a granted mining lease (ML1770) adjacent to excellent infrastructure, including secured freehold land rights and water rights. The Syerston Project Ore Reserve Estimate ("ORE") has just over 2 million tonnes of ore at an average grade of 644 parts per million (ppm) Sc (after applying a 550ppm Sc grade cut-off) for 1,311 tonnes of contained scandium, or 2,011 tonnes of contained scandium oxide (Sc_2O_3)[1].

Project Feasibility Study

During the financial year, the Company announced the completion of the Project Feasibility Study ("Feasibility Study"), demonstrating a clear pathway to 60 tonnes per year ("tpa") of Sc_2O_3 capacity to meet rapidly growing global demand[2].

Scandium (Sc) is emerging as one of the most critical materials for next-generation technologies, such as solid oxide fuel cells (SOFCs) powering AI data centres, advanced aerospace alloys used in defence applications and, increasingly, next -generation wireless semiconductors.

With China controlling 80-85% of global supply and now restricting exports, Western customers are urgently seeking alternative supply options. The Syerston Project represents one of the few significant non-Chinese sources of scalable supply in development today that can meet this immediate strategic need.

The Feasibility Study was completed by GR Engineering Services Limited ("GRES") (ASX:GNG), a leading international engineering and construction firm with extensive experience in mining and processing projects. A condensed summary on the Feasibility Study technical and economic outputs are given below:

1. Refer to the Company's ASX Announcement of 21 October 2025: "Scandium Project Ore Reserve Estimate Update" for details on the calculation of the Syerston Ore Reserve Estimate (ORE) and disclosure of the Syerston Mineral Resource Estimate (MRE), including all material assumptions and 2012 JORC Standard disclosures
2. Refer to the Company's ASX Announcement of 3 March 2026: "Feasibility Study Demonstrates Scalable Operation" for estimates, material assumptions and technical parameters, underpinning the Syerston Scandium Project Feasibility Study

Directors' Report continued

(a) Project capacity

The Syerston Project is forecast to process 64,000 tonnes of ore per year to produce 60tpa of high purity (>99.9%) Sc_2O_3 annually. This positions the Consolidated Entity to capture significant market share in a rapidly growing global market currently estimated at just 50-60tpa of scandium oxide.

(b) Competitive cost position

With forecast life-of-mine average operating costs of US$534/kg Sc_2O_3, the Syerston Project will be one of the world's lowest-cost sources of scandium. This competitive cost position stems from:

- An exceptionally high-grade ore deposit (averaging 690ppm Sc in the first decade);
- Efficient extraction and processing technology proven through extensive pilot testing;
- A 32-year mine life providing long-term production stability; and
- Strategic location in NSW with established infrastructure.

(b) Mining and processing

The Feasibility Study uses conventional open pit mining methods with excavators and trucks. The processing plant will use hydrometallurgical leaching to extract scandium from ore, followed by refining to produce high-purity (>99.9%) Sc_2O_3. Mining operations under the base case scenario are forecast to span 21 years, with an additional 11 years of processing from stockpiled ore, supporting a total 32-year operating life. The mine design was completed by Mining One Pty Ltd, a Melbourne-based global mining consultancy company.

The principal Feasibility Study design parameters for the base case are outlined in Table 1 below:

Table 1: Syerston Project Feasibility Study design parameters – 60tpa Sc_2O_3

Mine Plan and Design Parameters	Phase 1 – Feasibility Study
Annual production capacity (dry tonnes)	60 tonnes Sc_2O_3
Ore processed per year	64,000 tonnes
Average ore grade (life of mine)	656ppm Sc
Processing recovery	88%
Construction and commissioning period	24 months
Total mine life	32 years
C1 cash operating cost (life of mine average)	US$534/kg Sc_2O_3

Note: Sc converts to Sc_2O_3 on a dry weight basis by multiplying by 1.53

Early site work activities and project development

Following the appointment of the Syerston Project Director in November 2025, early site work activities at the Syerston Project ramped up in early 2026 with the engagement of GRES to complete the Front-End Engineering Design (FEED) Study and CleanTeq Water Limited (ASX:CNQ) to undertake a separate but integrated engineering and design study on the continuous resin-in-pulp (cRIP) ion-exchange (IX) technology and multi-stage refinery.

The FEED Study focused on advancing engineering design, defining scope and technical requirements, processing cost estimates and identifying project risks ahead of finalising a detailed Project Execution Plan (PEP) prior to a Final Investment Decision (FID) by the Company's Board during the second-half of 2026.

The on-boarding of personnel to the owner's team and procurement activities also commenced, with critical long-lead equipment packages being issued for tender during the June 2026 quarter. Project delivery work also progressed, including updates to the execution schedule and the development of the Contracting and Procurement Strategy and Project Risk Register. Completion of these early works activities positions the Project well for construction, commencing later in 2026.

Permitting and approvals

Activities and documentation required to secure permitting and modified approvals from the NSW Department of Planning, Housing and Infrastructure (DPHI), with the transition from the larger Sunrise Project to the smaller Syerston Project, were undertaken and completed during the period, including the Heritage Management Plan, Environmental Management Strategy, Biodiversity Management Plan and Revegetation Strategy.

In April 2026, the Deed of Variation to the Voluntary Planning Agreement (VPA) was placed on public exhibition by the three local Shire Councils. As no public submissions were received during the exhibition period, the modified VPA for the Syerston Project was subsequently approved by each local Shire Council in early June 2026.

Work commenced on the design and costing of the process plant tailings storage facility (TSF) and evaporation pond. In parallel, work progressed on the development of a cost estimate and schedule for a combined solar, battery energy storage system and diesel power solution for the Syerston Project.

Design and permitting activities also commenced for the relocation of an existing 22kV power line that crosses the planned Syerston Project TSF and mining areas.

Expansion case

Based on customer feedback indicating robust demand growth and ongoing Chinese export restrictions, the Company has advanced plans to expand production above the 60tpa Sc_2O_3 Feasibility Study Base Case. During the financial year, GRES commenced a Concept Level Study for an additional 120tpa Sc_2O_3 Expansion Case, which would increase total potential scandium oxide production capacity to 180tpa S_c2O_3[3].

Construction of a second production train would position the Consolidated Entity as an important source of Western supply, in a market where a significant share of global supply is already controlled by a handful of Chinese suppliers.

The schedule for development of the expansion is dependent on a range of factors, including a demonstrated demand growth for scandium, long-term customer support and the availability of financing to support the expansion.

Scandium marketing and offtake discussions

The scandium market is currently one of the smallest, yet one of the most strategic metal markets in the world. Scandium is rapidly emerging as a critical enabler of the next wave of technology growth, primarily produced and sold as high-purity scandium oxide (Sc_2O_3) across three critical sectors:

- *Solid Oxide Fuel Cells (SOFCs)* – Scandium-doped ceramic electrolytes enable highly efficient power generation, particularly important for rapidly deployable power for AI data centres, off-grid industrial sites, logistics centres and commercial offices;
- *Advanced Aerospace Alloys* – Aluminium-scandium alloys deliver exceptional strength-to-weight ratios essential for defence and commercial aircraft, especially in 3D-printed components; and
- S*emiconductors* – Scandium metal forms aluminum-scandium-nitride (AlScN) thin films in advanced chips, delivering performance multiples higher than current materials in radio frequency (RF) filtering, solid-state memory, and advanced communications infrastructure required for next-generation autonomous systems and military networks.

In April 2025, China's Ministry of Commerce designated scandium a "dual use item" requiring export approval from China's Central Military Commission. The U.S. and allied governments are responding to these export controls with policies of their own to establish non-Chinese supply chains for critical industries. These policy responses are expected to support higher, more stable pricing for non-Chinese suppliers like the development advanced Syerston Project, while providing western customers with secure supply.

On 24 October 2025, the Company announced an agreement with leading American defense and aerospace manufacturer, Lockheed Martin Corporation ("Lockheed"), to build a long-term, reliable and stable supply of scandium to support Lockheed's current and future product platforms. In signing the agreement, Lockheed secured an option to purchase the first 15tpa of scandium oxide from the Syerston Project over an initial five-year period, or approximately 25% of forecast production, subject to formalising offtake terms.

In June 2026, the Consolidated Entity committed to make a strategic equity investment of US$5 million into Agni Semiconductor LLC, a private U.S. based developer of next-generation non-volatile memory based on aluminium scandium nitride (AlScN) ferroelectric diode technology[4].

3. Refer to the Company's ASX Announcement of 23 July 2026: "Sunrise Accelerates Expansion Study for 180tpa Scandium Production at Syerston"
4. Refer to the Company's ASX Announcement of 15 June 2026: "Strategic Investment in Agni Semiconductor LLC"

The investment will broaden the Consolidated Entity’s exposure to emerging scandium-enabled semiconductor technologies and advances the Company’s strategy of participating in the downstream value chain for scandium produced from the Syerston Project. Aluminium scandium nitride (AlScN) is a ferroelectric semiconductor material in which scandium is alloyed into aluminium nitride. It is increasingly being recognised as one of the most promising emerging materials for high-performance, energy-efficient memory and AI inference hardware.

The investment diversifies exposure beyond traditional scandium-alloy end uses and aligns the Company with one of the most active areas of materials-driven innovation in the global semiconductor industry.

The Consolidated Entity will continue to progress discussions with a range of end-users of both chemical grade scandium oxide (Sc_2O_3) and scandium metal, with the aim of securing firm supply arrangements for the Syerston Project.

Sunrise Nickel-Cobalt Project

The Sunrise Nickel-Cobalt Project (‘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 a surplus of nickel and cobalt supply from Indonesia, 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.

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

(a) 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’), 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 2024/25 financial year, exploration targets within the JV tenements were identified with reference to anomalous groundwater geochemistry, which in a number of instances exhibit higher polymetallic contents (copper, iron, manganese) than the groundwater within the nearby mine areas.

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

- An initial 31 hole air-core (AC) 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);
- Following on from the AC drilling, a moving loop electro-magnetic (MLEM) survey was completed across the JV exploration area in December 2025, resulting in the definition of a significant EM anomaly. Planning for a targeted follow-up drilling campaign on the basis of the modelled MLEM anomaly, which also coincides with other elevated copper-in-soil geochemical anomalies and geological and structural interpretations derived from seismic re-processing, was completed in June and the targeted drilling campaign on this and the other identified anomalies commenced in July 2026.

(b) Mullingera Basin Joint Venture

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) (‘Greenvale’) 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 over two expenditure periods: Phase 1 of $2 million over three years and Phase 2 of $3 million over two years.

On 24 March 2026, the Company announced a partnership with leading U.S.-based private technology company I-Pulse to deploy and validate its G-Pulse pulsed-power drilling technology in the Millungera Basin. Under the Agreement with the Consolidated Entity and Greenvale, I-Pulse will assume operational control and invest a minimum of $5 million to earn an 80% interest in the Millungera Basin Geothermal Project. Neither the Consolidated Entity nor Greenvale will have any obligation to fund until completion of the earn-in, at which point a joint venture will be established for the project with the JV parties being I-Pulse (65%), Greenvale (20%) and SRL Hot Rocks (15%).

I-Pulse subsidiary G-Pulse is focused on deploying high pulsed power technology to address one of the most challenging and expensive stages of geothermal development; drilling deep wells into extremely hard rock formations to access hot granites deep beneath the Earth's surface. Using this technology, the company plans to advance detailed technical programs designed to unlock the full geothermal potential of the Millungera Basin.

New South Wales exploration

The Consolidated Entity conducted activities for general maintenance and statutory holding requirements only across the Company's NSW exploration (EL) tenements.

Corporate

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

- 17 November 2025: Placement to raise ~$46 million at $4.25 per share for 10.7 million new shares, with 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: Placement to raise ~$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: Placement to raise ~$33 million at $6.50 per share for 5 million new shares, with 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 ~$105 million, demonstrating the strong investor support for the Company while de-risking the financing for the Syerston Project.

During or since the end of the financial year, the Company has received an additional $66,954,000 (rounded down) as a result of 33,969,688 unlisted Share Options being exercised by option holders.

Board changes

In May 2026, Mr Jiang Zhaobai informed the Board of his decision to retire as Co-Chairman and Non-Executive Director of the Company, effective 6 May 2026. The Board sincerely thanks Mr Jiang for his significant contribution to the Company over many years. Following Mr Jiang's retirement, Mr Robert Friedland continues in his role as Chairman of the Board.

Mr Peter Arnell was appointed a Non-Executive Director of the Company on 12 May 2026. Mr Arnell is a globally recognised brand and industrial design expert. As the founder of Arnell Group and current Chairman and Chief Creative Officer of PETERARNELL, he has built an unparalleled reputation for corporate value creation.

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. In addition, environmental approvals will be required from relevant government or regulatory authorities before certain activities may be undertaken which are likely to impact the environment, including for land clearing and ground disturbance activities. Failure or delay in obtaining such approvals will prevent the Consolidated Entity from undertaking its planned activities. 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.

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

Other than described elsewhere, 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

On 10 August 2026, the Company announced that the U.S. Department of War's Office of Strategic Capital ('OSC') had conditionally committed up to US$400 million under a proposed 25-year debt facility for development of the Syerston Scandium Project, subject to, among other, detailed financial, legal, technical and environmental due diligence, negotiation and execution of definitive financing documents, satisfaction of conditions precedent and receipt of customary approvals (including any required regulatory approvals)[5].

On 10 August 2026, the Company announced it had commenced preparations to dual list its securities by listing on a U.S. securities exchange, subject to shareholder, court and regulatory approvals.

Except for the matters outlined above, no other matter or circumstance has arisen since 30 June 2026 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.

5. For further details on the OSC's conditional financing commitment, including a Cautionary Statement, refer to the Company's ASX Announcement of 10 August 2026: "U.S. Office of Strategic Capital US$400m Conditional Loan"

Likely developments and expected results of operations

The Consolidated Entity will continue to focus on the progress 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 complete the financing for the development and construction 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 the following unlisted Share Options:

Share Options Granted	Exercise Price	Expiry Date
10,730,001	$4.25	11 November 2027
5,000,000	$7.25	31 January 2028

In the previous financial year, 24,999,906 unlisted Share Options were granted with an exercise price of $0.40 expiring on 31 May 2027

No Share Options have been granted since the end of the financial year.

At the date of this report, the following unissued shares of the Company remain under option:

Unissued Shares under Option	Exercise Price	Expiry Date
995,513	$0.40	31 May 2027
5,764,706	$4.25	11 November 2027

Directors' Report continued

Shares issued on exercise of options

During or since the end of the financial year, the Company issued the following ordinary shares of the Company as a result of the exercise of unlisted Share Options:

Shares Issued	Options Exercise Price
24,004,393	$0.40
4,965,295	$4.25
5,000,000	$7.25

There are no amounts unpaid on the shares issued.

Corporate Governance Statement

The Company's 2026 Corporate Governance Statement was released to the ASX on 8 September 2026 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 2026/183, 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 43 and forms part of the Directors' Report for the financial year ended 30 June 2026.

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 2026
Melbourne

Remuneration Report (Audited)

The Directors of Sunrise Energy Metals present this Remuneration Report, which has been audited, for the financial year ended 30 June 2026.

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 (Chairman and Non-Executive Director)
- Stefanie Loader (Lead Independent Non-Executive Director)
- Eric Finlayson (Independent Non-Executive Director)
- Trevor Eton (Non-Executive Director)
- Jiang Zhaobai (Co-Chairman and Non-Executive Director) *(resigned on 6 May 2026)*
- Peter Arnell (Independent Non-Executive Director) *(from 12 May 2026)*

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)
- Trevor Eton – Chief Financial Officer (CFO) (part-time) *(from 1 September 2024)*
- Geoffrey Newcombe – Syerston Project Director *(from 1 December 2025)*
- Lynden Polonsky – Chief Development Officer *(from 1 January 2026)*
- Ben Stockdale – Chief Financial Officer (CFO) *(resigned effective 31 August 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.

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.

Remuneration Report (Audited) continued

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.

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 2026 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 ('KPIs') agreed with their manager. The Board approves the individual KPI's for the MD/CEO based on the recommendation of the PGSC. The MD/CEO approves the individual KPIs 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. KPIs 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.

At the end of the financial year, each employee's performance is assessed against their individual KPIs 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 KPIs	70%	50%	25%	0%	0%
Individual KPIs	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.

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 2026, the Consolidated Entity made extremely good progress towards achieving its operational targets, and the key Consolidated Entity's KPI for FY26 ("delivery of a financing package for the Syerston Scandium Project, or other corporate transaction that delivers value to shareholders") was, for the most part, achieved.

STI Performance and Outcomes

The Consolidated Entity's KPI for the financial year ended 30 June 2026 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 FY26 key strategic objectives and progress made against those objectives is set out below.

Measure	KPI	Weight	Result	Score
Syerston Scandium Project	Delivery of a financing package for the Syerston Scandium Project, or other corporate transaction that delivers value to shareholders.	100%	80%	80%

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 2026, as well as the rationale for inclusion of the particular metric.

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

The Board considers that the financing and development of the Syerston Scandium Project will create significant long-term value for shareholders.

During the financial year, the target of “delivering a financing solution for the Syerston Scandium Project, or other corporate transaction that delivers value to shareholders” was achieved, with the KPI result being assessed at 80%.

FY27 KPIs – Syerston Scandium Project and Downstream Scandium Related Businesses

The Consolidated Entity’s key KPIs and associated weightings for FY27 have been approved by the Board as detailed in the table below:

Target	Weighting
Satisfactory achievement (against schedule and actual costs being no more than 15% over Budget) of the construction of the Syerston mine and process plant	50%
Satisfactory progress on a scandium metallisation plant, namely: • The establishment of a permitted laboratory and production site in the U.S.; • The establishment of QA/QC protocols for small batch production and testing; and • The completion of fluorination and metallisation process development work as a basis for engineering.	25%
Downstream investments in scandium-related businesses that support share price and Company growth profile	25%

The disqualifying events detailed in the table above remain unchanged for FY27.

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 2026 are summarised below:

	2022 $’000	2023 $’000	2024 $’000	2025 $’000	2026 $’000
Profit/(Loss) after income tax	72	(9,120)	(7,858)	(6,206)	**(15,171)**

The factors that affect TSR are summarised below:

	2022	2023	2024	2025	2026
Share price at financial year end ($)	2.25	1.06	0.33	0.81	**17.23**
Movement in share price ($)	0.46	(1.19)	(0.73)	0.48	**16.42**
Dividends or capital returns paid ($ per share)	0.39	–	–	–	**–**
Market Capitalisation Undiluted ($M)	203	95	30	93	**2,651**

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

Individual STI Outcomes for FY26

Sam Riggall – Managing Director (MD) and Chief Executive Officer (CEO)

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

Category	KPI
Syerston Scandium Project	• Deliver a Feasibility Study that is sufficient to support financing for the Project • Secure offtake agreements for the Syerston Project
Market Support	• Maintain market and investor support for the Company and its share price via active engage with stakeholders
Other Opportunities	• Increase the value of the Company through exploration and/or asset acquisitions.

The Board, based on the recommendation of the PGSC, assessed Mr Riggall's performance against his individual objectives as 75% of target, resulting in the STI outcome tabled below.

STI	Weighting	Result	Weighted Result
Consolidated Entity KPI's	70%	80%	56.0%
Individual KPI's	30%	85%	25.5%
Total			81.5%
STI outcome as a percentage of TFR			16.3%
STI award as a percentage of maximum STI			81.5%

As such, the actual amount of STI awarded pursuant to the STI Plan of $83,640 is 81.5% of the theoretical maximum.

During the financial year, Mr Riggall was granted 1,678,798 performance rights which expire on 1 January 2028 and 534,513 performance rights which expire on 1 July 2028. Performance rights vest subject to defined performance criteria (see below for further details of the performance criteria).

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.

The Board resolved to pay a discretionary cash bonus of $15,000 to Mr Eton for his performance during the financial year. Mr Eton also received fees for his role as a Director during the financial year

Geoffrey Newcombe – Syerston Project Director

Mr Newcombe commenced his role as Syerston Project Director with effect from 1 December 2025. As a consequence of his start date, Mr Newcombe would be paid 58% of any STI entitlement for the financial year.

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

Category	KPI
Syerston Scandium Project	• Successful completion and delivery of GR Engineering's FEED Study and Clean TeQ Water's Refinery Engineering and Design Study by mid-May 2026, with site construction activities ready to commence in mid-June 2026 • Final Investment Decision (FID) by 30 June 2026 • Establishment of key members of the Owner's Team • Outcomes with the regulators to ensure the smooth pathway to construction • Contribution to building a successful delivery team and a safe and productive workplace

The PGSC assessed Mr Newcombe's performance against his individual objectives as 42% of target, resulting in the STI outcome tabled below:

STI	Weighting	Result	Weighted Result
Consolidated Entity KPI's	50%	80%	40.0%
Individual KPI's	50%	42%	21.0%
Total			61.0%
STI outcome as a percentage of TFR			7.1%
STI award as a percentage of maximum STI			61.0%

As such, the actual amount of STI awarded pursuant to the STI Plan of $23,790 is 61% of the theoretical maximum.

During the financial year, Mr Newcombe was granted 23,199 performance rights which expire on 1 January 2029. Performance rights vest subject to defined performance criteria (see below for further details of the performance criteria).

Lynden Polonsky – Chief Development Officer

Mr Polonsky commenced his role as Chief Development Officer with effect from 1 January 2026. Prior to commencing this full-time role, Mr Polonsky was the Company's Corporate Finance Manager on a part-time basis. As a consequence of commencing his role as a KMP, Mr Polonosky would be 50% of any KMP STI entitlement for the financial year.

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

Category	KPI
Various	• Maintain relationships with Government departments • Assist with general finance department activities • Formulate and implement equity and funding strategy • Assist MD/CEO with development strategy, including product market development • Maintain Group insurance programme • Establish insurance arrangements for new business activities • Support Group commercial and corporate activities • Assess M&A, joint venture, new listing opportunities and manage associated processes

PGSC assessed Mr Polonsky's performance against his individual objectives as 41% of target, resulting in the STI outcome tabled below.

STI	Weighting	Result	Weighted Result
Consolidated Entity KPIs	50%	80%	40.0%
Individual KPIs	50%	41%	20.5%
Total			60.5%
STI outcome as a percentage of TFR			6.0%
STI award as a percentage of maximum STI			60.5%

As such, the actual amount of STI awarded as a KMP pursuant to the STI Plan of $23,030 is 60.5% of the theoretical maximum.

From 1 July 2025 to 31 December 2025, Mr Polonsky was the Company's Corporate Finance Manager on a part-time basis and Mr Polonsky was awarded an STI of $2,300 against the Consolidated Entity's KPIs for his performance in this role. In this role, Mr Polonsky was instrumental in the success of the Company's significant equity raisings during CY25. As a recognition of his performance, in July 2026, Mr Polonsky was awarded a $100,000 discretionary cash bonus.

During the financial year, Mr Polonsky was granted 15,988 performance rights which expire on 1 July 2028 and 26,293 performance rights which expire on 1 January 2029. Performance rights vest subject to defined performance criteria (see below for further details of the performance criteria).

Ben Stockdale – Chief Financial Officer (until 31 August 2024)

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.

LTI Performance and Outcomes

During the financial year, the grants of performance rights with a test date of 1 July 2025 and 1 January 2026 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 2025 and 1 January 2026 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%

Remuneration Report (Audited) continued

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 2025 did not meet any of the performance criteria and so those instruments lapsed.

The performance rights with a test date of 1 January 2026 exceeded both of the performance criteria and, as a result, 100% of those instruments vested.

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

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 (MD) and Chief Executive Officer (CEO)
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 Trevor Eton
Title:	Chief Financial Officer (CFO) (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 months' 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.

Name:	Mr Geoffrey Newcombe
Title:	Syerston Project Director
Agreement commenced:	1 December 2025
Term of agreement:	No fixed term
Termination:	The Company may terminate the agreement upon 30 days' notice or payment in lieu of notice. Mr Newcome can terminate the agreement upon 30 days' 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 Lynden Polonsky
Title:	Chief Development Officer (CDO)
Agreement commenced:	1 January 2026
Term of agreement:	No fixed term
Termination:	The Company may terminate the agreement upon 60 days' notice or payment in lieu of notice. Mr Polonsky can terminate the agreement upon 60 days' 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.

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.

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 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

Non-Executive Directors' fees have remained unchanged since 1 July 2023. In May 2026, the Board, based on the recommendation of the PGSC, agreed to keep the fees payable to the Non-Executive Director unchanged for the 2027 financial year.

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.

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.

2026	Cash Salary and Fees[1]	Cash Bonus[2]	Non-Mone-0tary	Term-ination Benefits[3]	Post-Employ-ment Benefits	Long-Term Benefits[3]	Share Based Pay-ments[4]	Total
Non-Executive Directors								
Robert Friedland	70,000	–	–	–	–	–	–	70,000
Jiang Zhaobai[5]	64,167	–	–	–	–	–	–	64,167
Stefanie Loader	83,000	–	–	–	–	–	–	83,000
Eric Finlayson	65,179	–	–	–	7,821	–	–	73,000
Trevor Eton[9]	58,929	–	–	–	7,071	–	–	66,000
Peter Arnell[6]	8,226	–	–	–	–	–	–	8,226
Executive Director:								
Sam Riggall	483,133	83,640	–	–	30,000	8,874	2,694,791	3,300,438
KMP:								
Trevor Eton[9]	122,000	15,000	–	–	–	–	–	137,000
Geoffrey Newcombe[7]	178,500	23,790	–	–	17,500	–	6,785	226,575
Lynden Polonsky[8]	175,400	123,030	–	–	15,000	14,952	12,263	340,645
Total	**1,308,534**	**245,460**	**–**	**–**	**77,392**	**23,826**	**2,713,839**	**4,369,051**

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. Termination benefits include cessation of employment entitlements relating to redundancy, payment in lieu of notice and Long-Term benefits include 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 on 6 May 2026
6. Commenced on 12 May 2026
7. Commenced on 1 December 2025
8. Commenced as a KMP on 1 January 2026
9. Mr Eton has been remunerated separately for each role performed. Total remuneration for cash salary and fees is $180,929, cash bonus is $15,000, post-employment benefits is $7,071, total remuneration for FY26 is $203,000.

Remuneration Report (Audited) continued

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

1. Includes director fees and salary
2. Termination benefits include cessation of employment entitlements relating to redundancy, payment in lieu of notice and Long-Term benefits include accrued leave entitlements
3. 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*
4. Resigned as at 31 August 2024
5. Commenced on 1 September 2024
6. Mr Eton has been remunerated separately for each role performed. Total remuneration for cash salary and fees is $160,239, post-employment benefits is $6,928, total remuneration for FY25 is $167,167.

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:

2026	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%	–	–
Stefanie Loader	100%	–	–
Eric Finlayson	100%	–	–
Trevor Eton	100%	–	–
Peter Arnell	100%	–	–
Executive Director:			
Sam Riggall	16%	2%	82%
KMP:			
Trevor Eton	89%	11%	–
Geoffrey Newcombe	87%	10%	3%
Lynden Polonsky	60%	36%	4%

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%	–	–
Stefanie Loader	100%	–	–
Eric Finlayson	100%	–	–
Trevor Eton	100%	–	–
Executive Director:			
Sam Riggall	63%	–	37%
KMP:			
Trevor Eton	100%		–
Ben Stockdale	100%	–	–

Options

No options over ordinary shares were granted to KMP as part of compensation during the financial year ended 30 June 2026 or the comparative year.

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 2026 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	Maximum value yet to vest
Sam Riggall	146,444	21-Oct-22	01-Jul-25	Nil	$1.21	–	100%	–
Sam Riggall	193,683	27-Oct-23	01-Jan-26	Nil	$0.21	100%	–	–
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	$34,044
Sam Riggall	968,542	22-Oct-24	01-Jul-27	Nil	$0.21	n/a	n/a	$77,109
Sam Riggall	1,678,798	13-Nov-25	01-Jan-28	Nil	$4.03	n/a	n/a	$4,773,280
Sam Riggall	534,513	13-Nov-25	01-Jul-28	Nil	$3.86	n/a	n/a	$1,571,967
Geoffrey Newcombe	23,199	23-Mar-26	01-Jan-29	Nil	$3.00	n/a	n/a	$62,776
Lynden Polonsky	10,022	24-Aug-22	01-Jul-25	Nil	$0.94	–	100%	–
Lynden Polonsky	13,255	14-Mar-23	01-Jan-26	Nil	$0.35	100%	–	–
Lynden Polonsky	25,380	11-Sep-23	01-Jul-26	Nil	$0.23	n/a	n/a	–
Lynden Polonsky	22,707	07-Mar-24	01-Jan-27	Nil	$0.10	n/a	n/a	$418
Lynden Polonsky	28,264	26-Jul-24	01-Jul-27	Nil	$0.14	n/a	n/a	$1,343
Lynden Polonsky	48,990	07-Mar-25	01-Jan-28	Nil	$0.11	n/a	n/a	$2,799
Lynden Polonsky	15,988	12-Aug-25	01-Jul-28	Nil	$0.57	n/a	n/a	$6,340
Lynden Polonsky	26,293	23-Mar-26	01-Jan-29	Nil	$3.00	n/a	n/a	$71,149

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:

Name	Performance rights granted during the financial year 2026	Performance rights granted during the financial year 2025	Number of rights vested during the financial year 2026	Number of rights vested during the financial year 2025
Sam Riggall	2,213,311	1,770,024	193,683	–
Geoffrey Newcombe	23,199	n/a	–	n/a
Lynden Polonsky	42,281	77,254	13,255	–

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:

Name	Value of rights granted during the financial year 2026	Value of rights granted during the financial year 2025	Value of rights vesting during the financial year[1] 2026	Value of rights vesting during the financial year 2025
Sam Riggall	$8,824,443	$354,292	$1,484,852	–
Geoffrey Newcombe	$69,561	n/a	–	n/a
Lynden Polonsky	$87,967	$9,169	$101,618	–

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 $7.67 per share.

Remuneration Report (Audited) continued

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 2026 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	21,977,801	–	8,676,471	–	30,654,272
Jiang Zhaobai	10,451,888	–	–	(10,451,888)	–
Stefanie Loader	22,000	–	5,000	–	27,000
Eric Finlayson	75,000	–	–	–	75,000
Trevor Eton	12,000	–	5,000	–	17,000
Peter Arnell	–	–	–	–	–
Executive Director:					
Sam Riggall	2,701,746	–	252,507	(757,840)	2,196,413
KMP:					
Geoffrey Newcombe	–	–	–	–	–
Lynden Polonsky	–	–	13,255	(11,000)	2,255
	35,240,435	**–**	**8,952,233**	**(11,220,728)**	**32,971,940**

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
Robert Friedland	10,000,000	–	1,176,471	(7,000,000)	4,176,471
Sam Riggall	–	–	58,824	–	58,824
Stefanie Loader	–	–	5,000	–	5,000
Trevor Eton	–	–	5,000	–	5,000
	10,000,000	**–**	**1,245,295**	**(7,000,000)**	**4,245,295**

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	2,468,480	2,213,311	(193,683)	(146,444)	4,341,664
Geoffrey Newcombe	–	23,199	–	–	23,199
Lynden Polonsky	148,618	42,281	(13,255)	(10,022)	167,622
	2,617,098	**2,278,791**	**(206,938)**	**(156,466)**	**4,532,485**

Shares under option

Unissued ordinary shares of the Company under option as at 30 June 2026 are as follows:

Grant Date	Expiry Date	Exercise Price	Number under Option
23-Jun-25	31-May-27	$0.40	8,000,000
30-Jun-25	31-May-27	$0.40	1,123,576
20-Nov-25	11-Nov-27	$4.25	5,972,941
22-Jan-26	11-Nov-27	$4.25	1,833,530
22-Jan-26	31-Jan-28	$7.25	5,000,000
			21,930,047

Shares subject to performance rights

Unissued ordinary shares of the Company subject to performance rights as at 30 June 2026 are as follows:

Grant Date	Vest Date	Exercise Price	Number
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
13-Nov-25	01-Jan-28	Nil	1,678,798
12-Aug-25	01-Jul-28	Nil	125,701
13-Nov-25	01-Jul-28	Nil	534,513
23-Mar-26	01-Jan-29	Nil	71,645
			5,419,976

Remuneration Report (Audited) continued

Shares issued on the exercise of options or vesting of performance rights

Options

During the financial year, the Company issued 18,799,860 shares as a result of the exercise of unlisted options (2025: nil).

Performance Rights

During the financial year, the Company issued 242,971 shares as a result of the vesting of unlisted performance rights (2025: nil).

Voting and comments made at the Company's 2024 and 2025 Annual General Meetings

The Company received 19,136,966 votes 'for' (97.89% of votes cast) and 411,734 votes 'against' (2.11% of votes cast) the Remuneration Report for the year ended 30 June 2025.

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.

This concludes the Remuneration Report which has been audited.

Auditor's Independence Declaration

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 the financial report of Sunrise Energy Metals Limited for the financial year ended 30 June 2026 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 2026

Consolidated Statement of Profit or Loss & Other Comprehensive Income

For the year ended 30 June 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Other income	5	112	184
Interest income		2,635	269
Expenses			
Exploration and evaluation expenses		(6,622)	(1,727)
Employee benefits expenses	6	(5,958)	(2,514)
Research and development test work		(965)	(12)
Depreciation expense	6	(172)	(162)
Legal and professional expenses		(2,648)	(1,076)
Occupancy expenses		(368)	(287)
Travel expenses		(487)	(166)
Impairment loss on investment		–	(200)
Other expenses		(692)	(505)
Finance costs		(6)	(10)
Loss before income tax benefit		**(15,171)**	**(6,206)**
Income tax benefit	7	–	–
Loss after income tax benefit		**(15,171)**	**(6,206)**
Other comprehensive income for the year		–	–
Total comprehensive income/(loss) for the year		**(15,171)**	**(6,206)**
Total comprehensive income/(loss) for the year is attributable to:			
Owners of the Company		(15,171)	(6,206)
		(15,171)	**(6,206)**

	Note	Consolidated 2026 $	Consolidated 2025 $
Earnings/(loss) per share attributable to owners of the Company			
Basic earnings per share	27	**(0.11)**	(0.07)
Diluted earnings per share	27	**(0.11)**	(0.07)

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 30 June 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Current assets			
Cash and cash equivalents	8	115,439	10,714
Trade and other receivables		1,040	405
Total current assets		**116,479**	**11,119**
Non-current assets			
Property, plant and equipment	9	687	112
Right of use assets		16	215
Other financial assets		183	76
Other non-current assets		19	19
Total non-current assets		**905**	**422**
Total assets		**117,384**	**11,541**
Current liabilities			
Trade and other payables	11	3,676	740
Employee benefits		325	262
Provisions		10	–
Non-issued shareholder funds (options)		21	–
Lease liabilities		15	73
Total current liabilities		**4,047**	**1,075**
Non-current liabilities			
Employee benefits		195	138
Provisions		–	10
Lease liabilities		–	151
Total non-current liabilities		**195**	**299**
Total liabilities		**4,242**	**1,374**
Net assets		**113,142**	**10,167**
Equity			
Issued capital	13	420,767	305,401
Reserves	14	21,001	18,221
Accumulated losses	15	(328,626)	(313,455)
Total equity		**113,142**	**10,167**

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

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
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
Balance at 1 July 2025	305,401	(313,455)	18,221	10,167
Loss after income tax benefit for the financial year	–	(15,171)	–	(15,171)
Total comprehensive income/(loss) for the financial year	–	(15,171)	–	(15,171)
Transactions with owners in their capacity as owners:				
Equity contributions, net of transaction costs	115,366	–	–	115,366
Share-based payments (note 14)	–	–	2,780	2,780
Total contribution and distribution:	115,366	(15,171)	2,780	102,975
Balance at 30 June 2026	**420,767**	**(328,626)**	**21,001**	**113,142**

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 2026

	Note	Consolidated 2026 $'000	2025 $'000
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(11,870)	(5,956)
Cash used in operating activities		(11,870)	(5,956)
Interest received		2,109	305
Research and development tax incentive/government grants received		–	82
Payments of interest on leases		(3)	(10)
Net cash used in operating activities	26	**(9,764)**	(5,579)
Cash flows from investing activities			
Rental income		122	152
Payments for property, plant and equipment		(627)	(9)
Other receipts		–	52
Net cash from/(used in) investing activities		**(505)**	195
Cash flows from financing activities			
Proceeds from issue of shares, net of issuance costs		115,213	7,484
Payments of principal for rental leases		(124)	(112)
Cash on deposit for security over bank guarantees		(95)	(30)
Net cash from/(used in) financing activities		**114,994**	7,342
Net increase/(decrease) in cash and cash equivalents		**104,725**	1,958
Cash and cash equivalents at the beginning of the financial year		**10,714**	8,756
Cash and cash equivalents at the end of the financial year	**8**	**115,439**	**10,714**

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

Notes to the Financial Statements

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 Company'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 23, North Tower, 80 Collins St
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 2026. The Directors have the power to amend and reissue the financial statements.

Note 2. Going Concern, Basis of Preparation and Material 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 $15,171,000 (30 June 2025: loss of $6,206,000). Working capital, being current assets less current liabilities, amounted to a $112,432,000 surplus (30 June 2025: $10,044,000 surplus), with cash reserves increasing significantly from $10,714,000 to $115,439,000 during the financial year. Net cash outflow from operating activities was $9,764,000 for the financial year (30 June 2025: $5,579,000).

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

- The Consolidated Entity had attributable available cash on hand as at 30 June 2026 of $115,439,000;
- Capital and other joint venture expenditure commitments as at 30 June 2026 of $2,780,000;
- Since the end of the financial year and up to the date of the financial report, the Consolidated Entity has received an additional $48,179,000 (rounded up) as a consequence of 15,169,828 unlisted Share Options being exercised by option holders; 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 2027.

The Directors have also considered potential funding requirements over the next twelve months in the expectation that the Syerston Scandium Project receives a Final Investment Decision (FID) to proceed, noting available cash on hand and the conditional financing commitment for up to US$400 million (A$570 million at an A$:US$ FX rate of US$0.70) under a proposed 25-year debt facility from the U.S Department of War's Office of Strategic Capital ('OSC') for the development of the Syerston Scandium Project referred to in Note 25 of these financial statements.

The Consolidated Entity is now working towards satisfying the various conditions precedent established by the OSC, which include the deployment of specified amounts of equity and the receipt of binding offtake agreements from eligible customers for future production from the Syerston Project.

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, high interest rates, global conflicts, political and trade disputes and disruption to supply chains. To date, none of these factors have adversely impacted the Consolidated Entity's ability to undertake its business activities.

On the basis of cash and cash equivalents available as at 30 June 2026, the cash received since the end of the financial year and the cashflow forecast to 30 September 2027, the Directors consider the Consolidated Entity remains a going concern and therefore these financial statements have been prepared on this basis.

(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 (Note 23).

(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 2026 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.

(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.

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

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 early works costs will continue to be expensed until such time as a Final Investment Decision ('FID') is made to commence construction of the Project. Subsequent to this decision being made, project engineering, early-works and other development 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.

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 and at the time of the transaction, does not give rise to equal taxable and temporary differences;
- 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.

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 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.

(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.

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.

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

(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 a 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.

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.

(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 2026/183, 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

IFRS 18/AASB 18 Presentation and Disclosure in Financial Statements was issued in April 2024 and replaces *IAS 1/AASB 101 Presentation of Financial Statements*. The new standard introduces new requirements for the Consolidated Statement of Profit or Loss and Other Comprehensive Income, additional disclosure requirements and new principles for aggregation and disaggregation of information. The new standard is effective for annual periods beginning on or after 1 January 2027 and will first apply to the Consolidated Entity for the financial year ending 30 June 2028. The Consolidated Entity is in the process of assessing the impact of the new standard.

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

There is only one operating segment.

Geographical segments

Geographically, the Consolidated Entity operates wholly in Australia.

Major customers

Revenue from continuing operations for the year ended 30 June 2026 is derived from interest and other income.

Note 5. Other income

	Consolidated	
	2026 $'000	**2025 $'000**
Other income	**112**	184

Note 6. Expenses

	Consolidated	
	2026 $'000	**2025 $'000**
Profit/(Loss) before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Right of use assets	123	119
Office equipment and furniture	49	43
Total depreciation	**172**	162
Employee benefits expenses		
Wages and salaries	(2,342)	(1,768)
Employee entitlements expense including movements in provisions for employee entitlements	(232)	(135)
Superannuation	(195)	(162)
Equity settled share-based payments	(2,780)	(354)
Other costs	(409)	(95)
Total employee benefit expenses	**(5,958)**	(2,514)

Note 7. Income tax benefit

	Consolidated	
	2026 $'000	2025 $'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	(15,171)	(6,206)
Tax at the statutory tax rate of 30.0% (2025: 25.0%)	(4,551)	(1,552)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	834	88
Impairment	–	50
Other (deductible)/non-deductible expenses	919	26
Net (under)/over provision from prior years	125	724
Tax losses (reinstated)/not brought to account	2,673	664
Income tax benefit	–	–

	Consolidated	
	2026 $'000	2025 $'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	115,350	106,439
Potential tax benefit @ 30.0% (2025: 25.0%)	34,605	26,610
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	**35,194**	27,199
Temporary differences not brought to account	**4,579**	2,133

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.

Note 8. Current assets – cash and cash equivalents

	Consolidated	
	2026 $'000	2025 $'000
Cash at bank	**115,439**	10,714

The average interest rate on short-term bank deposits at 30 June 2026 was 5.04% (2025: 3.60%). 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	
	2026 $'000	2025 $'000
Office furniture and equipment – at cost	1,097	586
Less: Accumulated depreciation	(537)	(515)
	560	71
Motor vehicles – at cost	360	246
Less: Accumulated depreciation	(233)	(205)
	127	41
Leasehold improvements – at cost	177	177
Less: Accumulated depreciation	(177)	(177)
	–	–
	687	112

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 2024	81	–	65	146
Additions	9	–	–	9
Depreciation expense	(19)	–	(24)	(43)
Balance as at 30 June 2025	71	–	41	112
Balance as at 1 July 2025	71	–	41	112
Additions	511	–	113	624
Depreciation expense	(22)	–	(27)	(49)
Balance as at 30 June 2026	**560**	**–**	**127**	**687**

The Consolidated Entity had $2,780,000 in capital commitments for property, plant and equipment and joint venture expenditure commitments as at 30 June 2026 (30 June 2025: nil).

Notes to the Financial Statements continued

Note 10. Mineral tenement summary

Licence Number	Project Name	Location	Equity Interest 2026	Equity Interest 2025
EL4573	Sunrise	NSW	100%	100%
EL8833	Sunrise	NSW	100%	100%
EL8882	Sunrise	NSW	–	100%
EL8883	Sunrise	NSW	–	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	
	2026 $'000	2025 $'000
Trade payables	741	190
Other payables	2,935	550
	3,676	740

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

				Consolidated Balance as at 30 June 2026	
	Net Balance 1 July 2025 $'000	Recognised in profit or loss $'000	Recognised directly in equity $'000	Deferred tax assets $'000	Deferred tax liabilities $'000
Deferred tax asset (liability) comprises temporary differences attributable to:					
Amounts recognised in:					
• Accrued interest	–	(157)	–	–	(157)
• Accrued expenses	80	743	–	823	–
• Employee benefits	100	56	–	156	–
• Transaction costs on share issues	–	–	163	163	–
• Legal and consulting fees	16	14	–	30	–
• Plant & equipment	335	24	–	359	–
• RoU assets	(53)	49	–	–	(4)
• Lease liabilities	56	(51)	–	5	–
	534	678	163	**1,536**	**(161)**
Summary					
Net deferred tax assets	1,375				
Deferred tax asset not recognised due to uncertain recoverability	(1,375)				
Net deferred tax	**–**				
Movements 2026					
Opening balance	–				
Charges to profit or loss	–				
Closing balance	–				

Note 13. Equity – issued capital

			Consolidated	
	2026 Shares	2025 Shares	2026 $'000	2025 $'000
Ordinary shares – fully paid	**153,850,236**	115,227,404	**420,767**	305,401

Movements in ordinary share capital

Details	Date	Shares	Issue Price	$'000
Balance	1 Jul 2025	115,227,404		305,401
Movement		242,971	–	–
Movement		15,876,330	$0.40	6,350
Movement		13,653,531	$4.25	58,028
Movement		3,850,000	$4.90	18,865
Movement		5,000,000	$6.50	32,500
Capital Raising costs				(377)
Balance	**30 Jun 2026**	**153,850,236**		**420,767**

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 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	
	2026 $'000	**2025 $'000**
Other reserves	(2,035)	(2,035)
Share based payments reserve	23,036	20,256
	21,001	18,221

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 2024	19,903	(2,035)	17,868
Share based payments	353	–	353
Balance as at 30 June 2025	20,256	(2,035)	18,221
Share based payments	2,780	–	2,780
Balance as at 30 June 2026	**23,036**	**(2,035)**	**21,001**

Note 15. Equity – accumulated losses

	Consolidated	
	2026 $'000	**2025 $'000**
Accumulated losses at the beginning of the financial year	(313,455)	(307,249)
Loss after income tax benefit for the year	(15,171)	(6,206)
	(328,626)	(313,455)

Note 16. Equity – dividends

Dividends

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

Notes to the Financial Statements continued

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.

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.

Interest rate risk

The Consolidated Entity has fixed interest 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.

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.

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 $1,040,000 (2025: $405,000) 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 $115,439,000 as at 30 June 2026 (2025: $10,714,000). The cash and cash equivalents are held with top tier banks in accordance with a board approved credit risk management policy.

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 – 2026	**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	741	741	–	–	–	741
Other payables	2,935	2,935	–	–	–	2,935
Lease liabilities	15	15	–	–	–	15
Total non–derivatives	**3,691**	**3,691**	**–**	**–**	**–**	**3,691**

	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	224	75	76	–	237
Total non-derivatives	964	964	75	76	–	977

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.

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 – 2026	**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	115,439	–	–	–	115,439
Trade and other receivables	1,040	–	–	–	1,040
	116,479	**–**	**–**	**–**	**116,479**
Financial liabilities not measured at fair value					
Trade and other payables	(3,676)	–	–	–	(3,676)
Lease liabilities	(15)	–	–	–	(15)
	(3,691)	**–**	**–**	**–**	**(3,691)**

	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)

There were no transfers between levels during the financial year.

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 (resigned effective 6 May 2026)

Sam Riggall – Managing Director and Chief Executive Officer

Stefanie Loader – Lead Independent Non-Executive Director

Eric Finlayson – Independent Non-Executive Director

Peter Arnell – Independent Non-Executive Director (appointed effective 12 May 2026)

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:

Trevor Eton – Chief Financial Officer (part-time)

Geoffrey Newcombe – Syerston Project Director (commenced 1 December 2025)

Lynden Polonsky – Chief Development Officer (commenced in the role on 1 January 2026)

Compensation

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

	Consolidated	
	2026 $	2025 $
Short-term employee benefits: Cash salary and fees	1,553,994	996,653
Post-employment benefits	77,392	49,257
Other long-term benefits	23,826	4,120
Share-based payments	2,713,839	301,433
	4,369,051	1,351,463

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	
	2026 $	2025 $
Audit services – KPMG		
Audit or review of the financial statements	97,588	80,300
	97,588	80,300
Other services – KPMG		
Taxation services	23,210	23,210
	23,210	23,210
	120,798	103,510

Note 21. Contingent liabilities

The Consolidated Entity has no material contingent liabilities as at 30 June 2026, 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 ("Related Party"). 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

Sam Riggall is the Managing Director and Chief Executive Officer of Sunrise Energy Metals Limited and a non-executive director of Clean TeQ Water Limited.

During the financial year, Sunrise Energy Metals Limited's wholly owned subsidiary, SRL Ops Pty Ltd, engaged Clean TeQ Water Operations Pty Ltd to provide engineering services. Amounts billed and paid relating to those engineering services from Clean TeQ Water Operations Pty Ltd, on arm's length terms, were $557,368 (excluding GST).

Receivable from and payable to related parties

At 30 June 2026, the total accrued amount payable to Clean TeQ Water Operations Pty Ltd was $159,590 (2025:nil).

Loans to/from related parties

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

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	
	2026 $'000	**2025 $'000**
Loss after income tax	(741)	(348)
Total comprehensive loss	**(741)**	(348)

Statement of financial position

	Parent	
	2026 $'000	**2025 $'000**
Total assets	**125,166**	7,881
Total liabilities	**(21)**	(140)
Equity		
Issued capital	420,767	305,401
Other reserves	(2,035)	(2,035)
Share based payments reserve	23,036	20,256
Accumulated losses	(316,623)	(315,881)
Total equity	**125,145**	7,741

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 2026 and 30 June 2025.

Contingent liabilities

The Parent Entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

Capital commitments – Property, plant and equipment

The Parent Entity had no capital commitments for property, plant and equipment as at 30 June 2026 or since the end of the financial year (30 June 2025: nil).

Material 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.

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	2026 %	2025 %
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%
SRL Hot Rocks Pty Ltd	Australia	100%	–

Note 25. Events after the reporting period

On 10 August 2026, the Company announced that the U.S. Department of War's Office of Strategic Capital ('OSC') had conditionally committed up to US$400 million under a proposed 25-year debt facility for development of the Syerston Scandium Project, subject to, among other, detailed financial, legal, technical and environmental due diligence, negotiation and execution of definitive financing documents, satisfaction of conditions precedent and receipt of customary approvals (including any required regulatory approvals).

On 10 August 2026, the Company announced it had commenced preparations to dual list its securities by listing on a U.S. securities exchange, subject to shareholder, court and regulatory approvals.

Except for the matters outlined above, no other matter or circumstance has arisen since 30 June 2026 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

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
(Loss) after income tax expense for the year		(15,171)	(6,206)
Adjustments for:			
Depreciation and amortisation		172	162
Share-based payments	6	2,780	354
Other non-cash transactions		119	(148)
Change in operating assets and liabilities:			
Decrease/(increase) in trade and other receivables		(635)	132
Decrease/(increase) in other financial asset		(107)	(1)
(decrease) in provisions		–	–
Increase/(decrease) in trade and other payables		2,958	191
Increase/(decrease) in employee benefits		120	(63)
Net cash used in operating activities		**(9,764)**	(5,579)

Note 27. Earnings per share

	Consolidated 2026 $'000	Consolidated 2025 $'000
Earnings per share for loss attributable to ordinary shareholders		
Profit/(loss) after income tax attributable to the owners of Sunrise Energy Metals Limited	**(15,171)**	(6,206)

	2026 Number	2025 Number
Weighted average number of ordinary shares used in calculating basic earnings per share	**134,172,942**	90,612,113
Weighted average number of ordinary shares used in calculating diluted earnings per share	**134,172,942**	90,612,113

	2026 $	2025 $
Basic earnings per share	**(0.11)**	(0.07)
Diluted earnings per share	**(0.11)**	(0.07)

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
22-Aug-22	01-Jul-25	$0.00	37,266	–	–	(37,266)	–
21-Oct-22	01-Jul-25	$0.00	146,444	–	–	(146,444)	–
14-Mar-23	01-Jan-26	$0.00	49,288	–	(49,288)	–	–
11-Sep-23	01-Jul-26	$0.00	95,046	–	–	–	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	178,531	–	–	–	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
12-Aug-25	01-Jul-28	$0.00	–	125,701	–	–	125,701
13-Nov-25	01-Jan-28	$0.00	–	1,678,798	–	–	1,678,798
13-Nov-25	01-Jul-28	$0.00	–	534,513	–	–	534,513
23-Mar-26	01-Jan-29	$0.00	–	71,645	–	–	71,645
			3,436,000	**2,410,657**	**(242,971)**	**(183,710)**	**5,419,976**

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

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
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
12-Aug-25	01-Jul-28	$1.32	100.00%	-%	$0.57
13-Nov-25	01-Jan-28	$4.16	110.97%	-%	$4.03
13-Nov-25	01-Jul-28	$4.16	110.97%	-%	$3.86
23-Mar-26	01-Jan-29	$7.61	118.00%	-%	$3.00

Consolidated Entity Disclosure Statement

As at 30 June 2026

Entity Name	Body corporate, partnership or trust	Place of incorporation	Company's direct or indirect ownership interest		Tax residency
			2026	2025	
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
SRL Hot Rocks Pty Ltd	Body Corporate	Australia	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 interpretation:

- 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 TR2018/5*.

Directors' Declaration

For the year ended 30 June 2026

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 2026 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 2026 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 2026
Melbourne

Independent Auditor's Report

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 2026 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 2026
- 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 2026
- 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 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 the financial report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG

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.

Accounting for Cash and cash equivalents ($115.4m) and Issued capital ($420.8m)	
Refer to Note 2, Note 8 and Note 13 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
Accounting for the Group's cash and cash equivalents and issued capital is a key audit matter due to the significant audit effort in relation to the: • Large amount of capital issued through share placements and options exercised during the year, which resulted in a significant increase of over nine times in the Group's cash and cash equivalent balances; • Significance of cash and cash equivalents (being 98% of total assets); • Assessment of classification of cash and cash equivalents.	Our procedures included: • Assessing the Group's recognition of shares issued pursuant to the placements and the exercise of options in the Group's financial records against the requirements of the accounting standards; • Comparing the accounting treatment for term deposits to the contractual terms of the bank agreements and the requirements of the accounting standards; • Agreeing a sample of shares issued to offering documents provided to shareholders and external share registry records; • Agreeing a sample of cash proceeds received from share placements and option exercises to the bank statements; • Comparing cash and cash equivalents balances at year end to external bank confirmations; • Assessing the Group's cash and cash equivalents and issued capital disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

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.

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.

KPMG

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Sunrise Energy Metals Limited for the year ended 30 June 2026, 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 24 to 42 of the Directors' report for the year ended 30 June 2026.

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 2026

Shareholder Information

The additional shareholder information below, as required under theASX Listing Rules, is current as at 10 August 2026.

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	3,025	1,040,376	0.61
1,001 to 5,000	1,205	2,939,784	1.74
5,001 to 10,000	358	2,584,707	1.53
10,001 to 100,000	334	8,389,833	4.95
100,001 and over	39	154,483,220	91.17
Rounding			–
Total	**4,961**	**169,437,920**	**100.00**

Unmarketable parcel

	Minimum Parcel Size	Holders	Units
The number of shareholders holding less than a marketable ($500.00) parcel of shares at $18.49 per unit	28	137	791

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	87	274,385	4.04
5,001 to 10,000	110	685,330	10.08
10,001 to 100,000	2	27,518	0.40
100,001 and over	4	5,808,501	85.47
Rounding			0.01
Total	**204**	**6,795,738**	**100.00**

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

Name of holder	Units	% Units
HSBC Custody Nominees (Australia) Ltd	3,055,254	44.96

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	1	1,805	0.04
5,001 to 10,000	1	6,199	0.12
10,001 to 100,000	3	78,654	1.57
100,001 and over	6	4,922,882	98.27
Rounding			–
Total	**11**	**5,009,540**	**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 10 August 2026 are listed below:

Rank	Name of Share Holder	Number of Shares Held	% of Total Shares Issued
1	BNP PARIBAS NOMS PTY LTD	51,477,645	30.38
2	CITICORP NOMINEES PTY LIMITED	27,452,467	16.20
3	JP MORGAN NOMINEES AUSTRALIA PTY LIMITED	18,382,379	10.85
4	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	12,006,094	7.08
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,085,713	6.54
6	PENGXIN INTERNATIONAL GROUP LIMITED	10,451,888	6.17
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,634,589	3.33
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	3,323,189	1.96
9	CITICORP NOMINEES PTY LIMITED	3,069,985	1.81
10	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	2,365,508	1.40
11	SALITTER PTY LTD <SALITTER A/C>	1,526,094	0.90
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LTD<GSCO CUSTOMERS A/C>	895,551	0.53
13	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	885,398	0.52
14	MAL CLARKE & ASSOCIATES PTY LTD <MAL CLARK FAMILY A/C>	637,700	0.38
15	MR SAM RIGGALL	559,450	0.33
16	HSBC CUSTODY NOMINEES (AUSTRALIA) LTD-GSCO ECA	556,735	0.33
17	HSBC CUSTODY NOMINEES (AUSTRALIA) LTD–EUROCLEAR BANK SA NV A/C	454,599	0.27
18	MR SAM RIGGALL	358,329	0.21
19	MRS SHUYIN XIAO	312,438	0.18
20	MAL CLARKE & ASSOCIATES PTY LTD <MAL CLARKE & ASSOCIATES A/C>	267,106	0.16
Total Top 20 holders of Ordinary Fully Paid Shares		**151,702,857**	**89.53**
Total Remaining holders balance		**17,735,063**	**10.47**
Total Shares Issued		**169,437,920**	**100.00**

Shareholder Information continued

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 10 August 2026 of 169,437,920.

	Ordinary Shares	
Name of Share Holder	Number held	% of total shares issued
Ivanhoe Capital Holdings Pte. Ltd	33,654,272	19.86%
Kiril Sokoloff	13,907,424	8.21%
SailingStone Capital Partners LLC	12,616,777	7.45%
Pengxin International Group Limited	10,451,888	6.17%

On-market buy-back

There is no current on-market buy-back in relation to the Company's securities as at 10 August 2026.

Restricted securities

There are no restricted securities on issue as at 10 August 2026.

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 2026 Annual General Meeting will be held on 12 November 2026 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 23 September 2026.

Corporate Directory

Directors

Robert Friedland
(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)

Peter Arnell
(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 23, North Tower, 80 Collins Street
Melbourne VIC 3000

Telephone: +61 (03) 9797 6777

Australian Business Number (ABN)

34 127 457 916

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

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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energy metals

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