ANNUAL REPORT 2023/24

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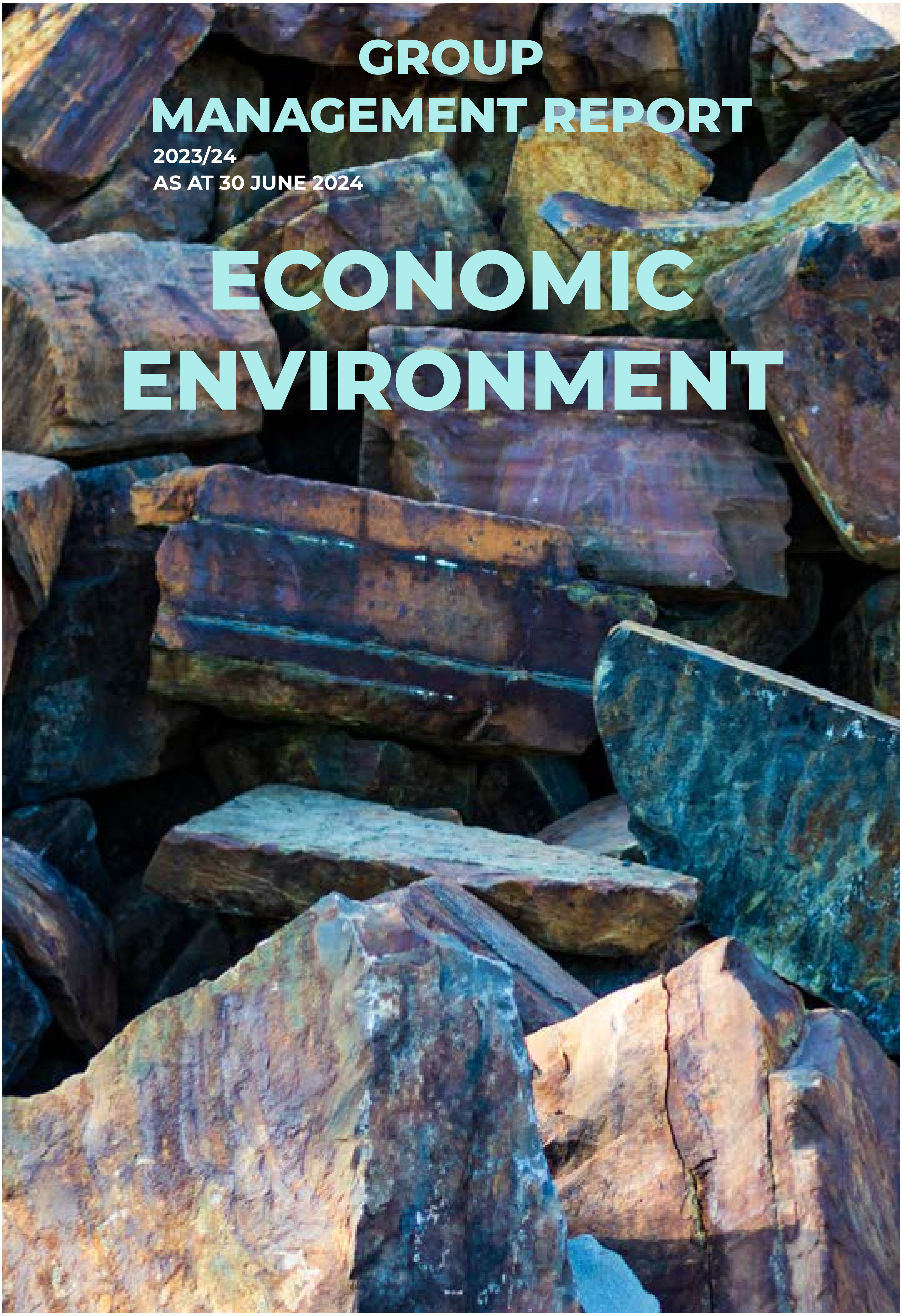
GROUP MANAGEMENT REPORT

2023/24
AS AT 30 JUNE 2024

ECONOMIC ENVIRONMENT



ECONOMIC ENVIRONMENT

Executive summary

World economic growth remains relatively soft, weighed down by relatively tight financial conditions. However, key economic indicators suggest the world economy picked up modestly in the first half of 2024. In the United States, economic growth remains firm, and inflation is declining. In China, government support measures in 2023 and early 2024 have yet to turn around ongoing weakness in the residential property sector. This weakness has detracted from the impact of strong Chinese exports and large investments in infrastructure and manufacturing capacity.

Reflecting the recent improvement in economic activity and the prospect of less restrictive monetary policy in major Western economies, ferrous and non-ferrous metal prices have generally risen since the March 2024 REQ. The iron ore price has steadied above US$100 a tonne, and copper recently traded above US$10,000 a tonne. Since the end of 2Q 2024, prices have softened again.

The gold price has hit new record highs since the March 2024 REQ, driven by central bank buying and Chinese household demand for alternative investments amidst property and share market weakness.

The prices of lithium and nickel appear to have started a recovery after large falls in 2023 and early 2024. Despite both prices hitting multi-year lows in H1 2024, some new Australian nickel and lithium projects are proceeding. Australian spodumene production is competitive with rival lithium brines.

Measures by a number of governments to intervene in trade with China will have implications for the direction and quantity of Australian resource and energy exports. Widespread trade measures may see the competitiveness of Chinese manufacturers deteriorate relative to other Asian trading nations that Australia supplies — such as Japan and South Korea. Australian exports could suffer if some of China's manufacturing base is lost to North America and Western Europe.

The pace of US adoption of EVs and renewable energy technologies could change depending on the outcome of the US Presidential election in November, with significant implications for the demand for battery minerals in the short term. Demand growth in other major markets (the EU and China) is likely to rise strongly.

Recent moves by the UK and US to ban Russian metal from entering LME and Comex warehouses are likely to push even more Russian metal towards China and India. Australian miners will be more likely to replace Russian metal sales to Japan and South Korea. Nickel and aluminium will be the most affected metals.

The continued growth in the adoption of emerging technologies that are power intensive — including generative artificial intelligence — will increase demands on power generation in many countries. This is expected to increase demands for (especially) gas-powered electricity generation in the short term.

Macroeconomic Environment

SUMMARY: .

Global industrial production lifted in the first half of 2024, on account of improving global goods demand. China accounted for most of the growth in global industrial production and merchandise exports.

The outlook for global growth in 2024 has improved slightly, with risks evenly balanced. As inflation returns to target levels, central banks will exit restrictive stances, with growth to pick up in 2025.

In May 2024 , China's growth outlook for 2024 and 2025 was revised up on account of better than expected growth in 1Q 2024 and policies recently announced targeting the property sectoren.

Declining inflation and resilient growth still expected, with risks balanced

World economic growth remains relatively soft, weighed down by relatively tight financial conditions. However, key economic indicators suggest the world economy picked up modestly in the first half of 2024. In the US, economic growth remains firm, and inflation is declining. In China, government support measures have yet to turn around ongoing weakness in the property sector. This weakness has detracted from the impact of strong Chinese exports and large investments in infrastructure and manufacturing capacity.

Reflecting recent improvement in economic activity and the prospect of less restrictive monetary policy in major Western economies, ferrous and non-ferrous metal prices have generally risen since 1Q 2024. Iron ore prices have steadied above US$100 a tonne, and copper recently traded above US$10,000 a tonne, noting however that since the end of 2Q 2024, prices have softened again.

Despite both prices hitting multi-year lows in H1 2024, some new Australian nickel and lithium projects are proceeding. Australian spodumene production is competitive with rival lithium brines. The gold price has hit new record highs since 1Q 2024, driven by central bank buying and Chinese household demand for alternative investments amidst property and share market weakness.

Measures by governments to intervene in trade with China will have implications for the direction and quantity of resource and energy. Australian exports could suffer if some of China's manufacturing base is lost to North America and Western Europe instead — since higher transport costs may preclude some Australian producers from accessing these markets.

The pace of US adoption of EVs and renewable energy technologies could change depending on the outcome of the US Presidential election, with significant implications for the demand for critical minerals in the short term. Demand growth in other major markets (the EU and China) is likely to rise strongly.

Recent moves to ban Russian metal from entering LME and Comex warehouses are likely to push even more Russian metal towards China and India. Australian miners will be more likely to replace Russian metal sales to Japan and South Korea. With Russia being a major producer, nickel and aluminium will be the most affected metals.

Finally, the continued growth in the adoption of power intensive emerging technologies — including generative artificial intelligence — will increase power demand in many countries.

World Economic Outlook

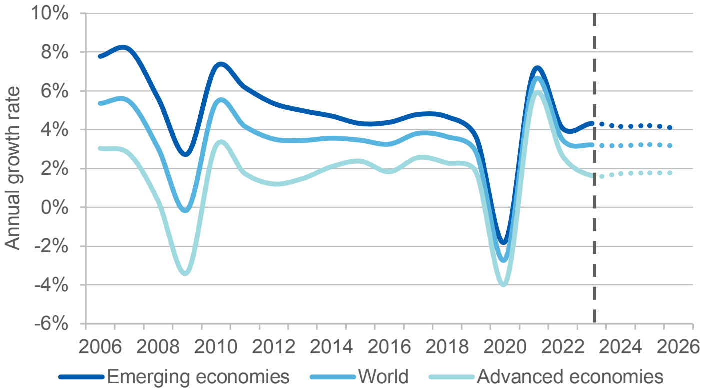
The International Monetary Fund's (IMF) April forecasts were for the world economy to grow by 3.2% in 2024 and then continue at the same pace through to 2026. This represented an upgrade of 0.1 percentage points for 2024 compared to the IMF's January 2024 outlook — reflecting upgrades made to forecast growth for the US, offset by downward revisions across several other economies. The IMF stated the risks to the outlook have eased and are broadly balanced compared to their January update.

Growth in advanced economies is expected to rise to 1.7% in 2024 and 1.8% in 2025 and 2026. The forecast is revised upward by 0.2 percentage point for 2024, given improved outlook for the US — revised up by 0.6 percentage points. Emerging economies are expected to continue their relatively strong growth during the outlook period, with growth rising to 4.2% in 2024 and 2025. The growth rate for 2024 has been revised up by 0.1 percentage points, given a stronger growth outlook in India and Brazil.

The IMF noted that the global economy has been resilient, avoiding recession despite the various shocks that have played out over the past few years. Tight labour markets have softened the effects of tightened monetary policy on consumption growth, with global goods demand improving over H1 2024 and lifting the global manufacturing outlook.

Recent policy moves and a better economic performance in China in the March quarter led the IMF to revise up its growth forecasts compared with the April outlook (see China section). The IMF now expects China's economy to grow by 5.0% in 2024 and 4.5% in 2025, easing to 4.1% by 2026 — in line with a long-term trend towards lower economic growth.

GDP Growth Forecasts (below)



Source: IMF (2024)

The IMF emphasised both upside and downside risks to global growth, including the degree to which inflation persists or geoeconomic fragmentation intensifies. Additional risks stem from the outlook for China, depending on the further scale and duration of its property sector downturn. Additional property sector reforms and large-scale investment may boost subdued confidence; however, structural challenges and local government financing constraints pose risks to the pace of recovery.

Increasing risks to the global trading system and geoeconomic fragmentation with growing sanctions and trade policies present a downside risk to global growth. The IMF notes this may detract 0.5-0.7% from global growth over next 5 years, depending on the severity of the fragmentation.

Source: https://www.industry.gov.au/publications/resources-and-energy-quarterly-june-2024

Relevant Commodity Markets

GOLD

SUMMARY: .
Gold prices averaged about US$2,200 an ounce in the first half of 2024, up 15% year-on-year due to strong demand from investors and central banks. Prices are forecast to remain elevated throughout 2024 and 2025, before easing slightly in 2026.
Australian gold production decreased by 4.0% year-on-year in the March quarter 2024, due to lower grades and disruptions from heavy rainfall. Production is forecast to grow over the outlook period as major new projects and expansions come online.
Gold export earnings are expected to reach a record $33 billion in 2023– 24, easing to around $31 billion in 2025–26 as prices gradually decline from record levels in Australian dollar terms.

Australia's gold sector

Source: GA ; DISR ; OCE

World gold consumption decreased in the 1Q 2024

World gold demand decreased by 5.3% year-on-year to 1,100 tonnes in the March quarter 2024. This fall was largely driven by a 28% decline in investment demand, with central bank demand continuing to be elevated..

Official sector (central banks and other government financial institutions) gold buying rose marginally year-on-year to 290 tonnes in the March quarter 2024 — a record March quarter total. Official sector demand has been strong since mid-2022, with purchases dominated by emerging market central banks eager to lift gold reserves to diversify their reserve portfolio and boost the liquidity of reserves.

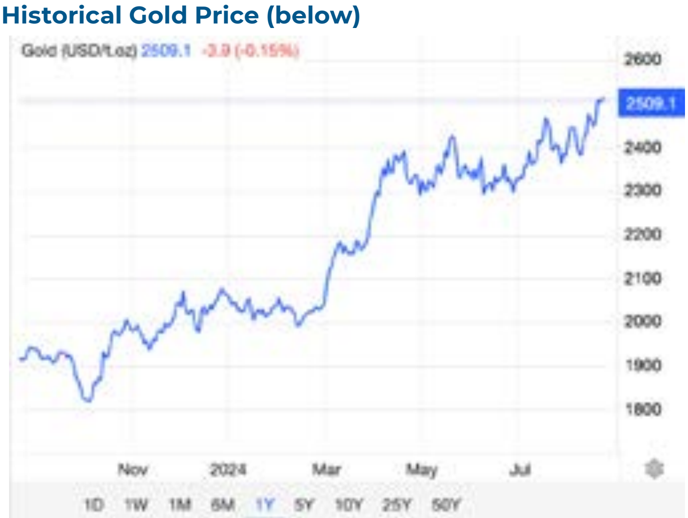
Strong investment demand to drive gold consumption to a peak in 2024

The general outlook for gold is very positive with World gold consumption forecast to rise by 1.9% to 4,500 tonnes in 2024. This increase is expected to be mainly driven by growth in investment demand (particularly for gold bars and coins) and to a lesser extent, a rebound in consumer electronics demand.

Gold prices rose sharply to new records in the first half of 2024

The London Bullion Market Association (LBMA) gold price is estimated to have averaged about US$2,200 an ounce in H1 2024 — 15% higher than in 2023. The gold price outperformed market expectations in the June quarter 2024, with prices reaching a record high of US$2,427 an ounce on 21 May. Price rises were broadly driven by strong gold demand from emerging market central banks and safe-haven investment — given geopolitical risks such as escalations in the Middle East.

Historical Gold Price (below)



Source: https://tradingeconomics.com/commodity/gold

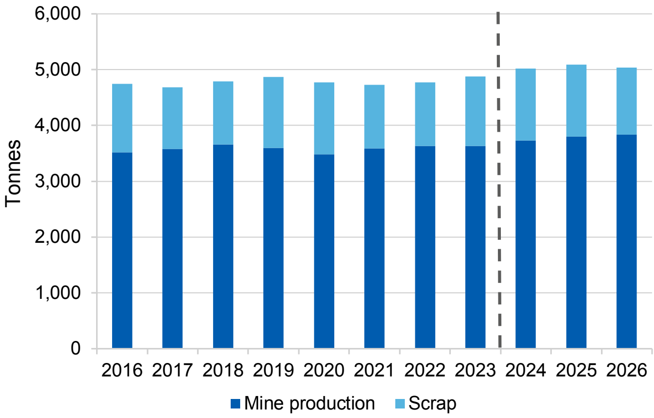
Gold prices to remain near record levels in 2024 and 2025 before easing

Gold prices are forecast to average about US$2,230 an ounce in 2024 — a 10% upward revision compared with the March 2024 Resources and Energy Quarterly. Prices are forecast to remain steady just below the record level of the June quarter 2024, based on a scenario where monetary easing commences by the end of the year in the US and other major economies. In this scenario, investor demand is expected to be strong over H2 2024, as bond yields ease in anticipation of rate cuts.
Once monetary easing commences, gold prices are expected to receive continued support through 2025, as the US dollar eases and investors gain greater clarity on the pace and scale of further rate cuts. Gold prices are forecast to average ~ US$2,200 an ounce in 2025.
After 2025, gold prices are forecast to gradually ease to around US$2,000 an ounce by the end of 2026 as monetary easing cycles near completion and safe-haven demand eases.

World gold supply to peak in 2025 as new projects come online

World gold supply is forecast to rise on average by 1.6% a year from 2023, peaking at 5,090 tonnes in 2025. Increasing world gold mine production will be supported by further strength in recycling activity.

World Gold Supply (below)

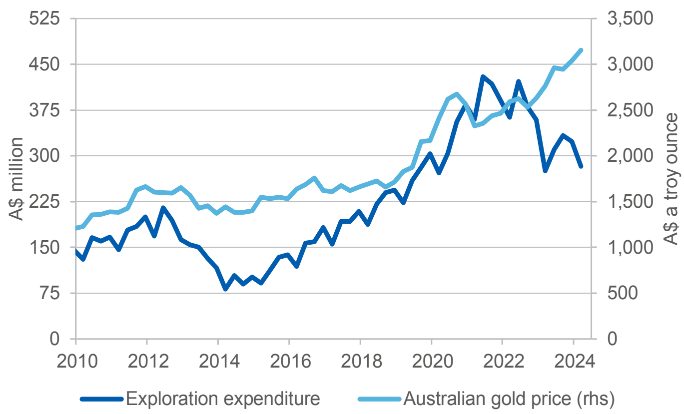


Source: DISR (2024), Metals Focus (2024), World Gold Council (2024)

Gold exploration weak given high prices in the 1Q 2024

Australia's gold exploration expenditure rose 2.5% year-on-year to $283 million in the March quarter 2024. Gold's share of Australian mineral exploration expenditure rose to 31% in the March quarter 2024 after averaging 29% in 2023. This decline in exploration occurred despite record high Australian gold prices — which have historically motivated high exploration expenditure. Western Australia remained the centre of gold exploration activity in Australia, accounting for 70% of total gold exploration expenditure.

Exploration Expenditures (below)



Source: ABS (2024)

LITHIUM

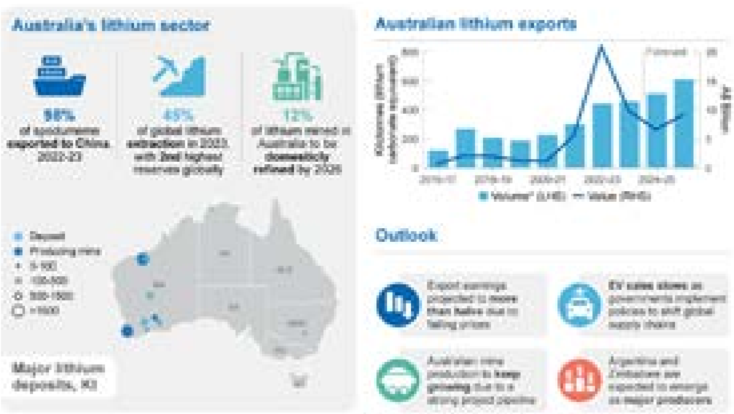
SUMMARY: .

Australia's lithium export earnings are projected to fall by more than half over the forecast period — from $20 billion in 2022-23 to $9.1 billion in 2025-26. The fall is set to be driven by weaker lithium prices, which are expected to be partially offset by a 53% increase in Australia's lithium mine production over the outlook period.

Global lithium demand is projected to rise by 17% a year between 2023 to 2026, driven by the rising adoption of electric vehicles. However, weak Chinese demand and shifting policies in the US and EU could see EV sales growth continue to remain slow.

Rise in global lithium supply will see the lithium market remain in surplus. Chinese lithium lepidolite production have seen only modest declines despite falls in prices, and there are sizeable project pipelines in Australia and among emerging producers such as Argentina and Zimbabwe.

Australia's lithium sector

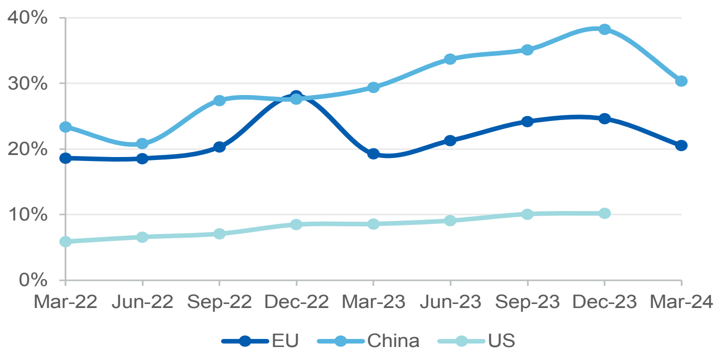


Source: ABS ; GA ; Wood Mackenzie ; WA DEMIRS ; DISR ; OCE

EV penetration fell in key markets, defying historical growth trends

Electric vehicle (EV) penetration in major vehicle markets fell in 1Q 2024. Soft consumer demand in China and policy shifts in the US and the EU contributed to the reversal in EV market penetration growth. In the passenger vehicle market, EV penetration fell quarter-on-quarter in China and the EU in 1Q 2024, by 7.9 and 4.1 percentage points respectively.

EV Penetration (below)



Notes: Data presented for the EU and China are for the passenger vehicle market, while data presented for the US is for the light duty vehicle market. EVs include both BEV and plug-in hybrid electric vehicle (PHEV).

Source: European Automobile Manufacturers Association (2024), China Association of Automobile Manufacturers (2024), Alliance for Automotive Innovation (2024), Marklines (2024)

Kelly Blue Book estimates that penetration rates of battery electric vehicles (BEVs) in the US fell from 8.1% to 7.3% quarter-on-quarter in the same period. In the US, tightened eligibility requirements for IRA tax credits contributed to the fall in adoption. The US released draft rules on eligibility for EV tax credits under the IRA in early December 2023. While the rules were labelled as draft, enforcement began at the start of 2024. As a result, eligible EV models shrank from 43 at end 2023 to 19 on 2 January 2024.

The draft rules mean EVs with battery components or critical minerals sourced from a "foreign entity of concern" (FEOC) do not qualify from part or all the EV tax credits under the IRA from 2024 and 2025 respectively. An entity is considered a FEOC if 25% or more of its board seats, voting rights or equity interests, are held by or subject to the jurisdiction or direction of the governments of China, North Korea, Russia or Iran. The final rules regarding the sourcing of lithium, amongst other mineral inputs to EVs were released in May 2024.

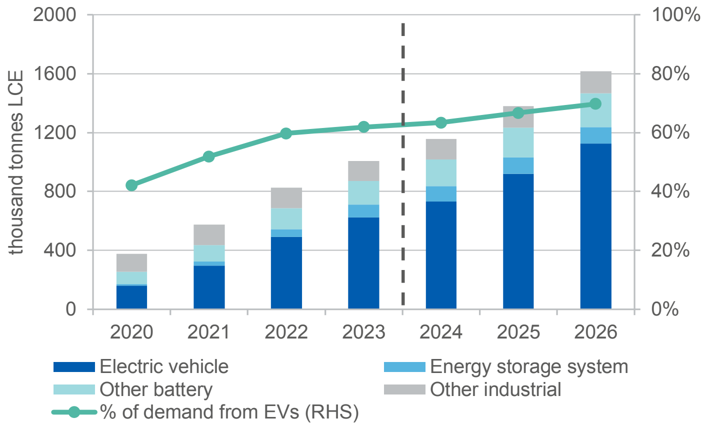
Much of the fall in EV penetration in the EU was driven by Germany, where EV subsidies of up to 4,500 euros per vehicle ended abruptly in late 2023. In November 2023, Germany's Federal Constitutional Court ruled that the subsidy's funding mechanism violated a constitutional limit on the federal deficit. The German parliament approved the 2024 Budget in February, confirming the EV subsidy will not be reinstated in 2024.

Additional factors contributing to the recent reversal in EV penetration in the US and the EU include higher interest rates because EVs tend to have a higher upfront price. EVs have also faced much higher depreciation costs over the last few years, as large cuts in the price of new EVs have led to falls in the value of second-hand EVs. Policymakers in the EU and the US have stepped back from more ambitious vehicle emissions standards proposals which might have boosted EV sales. The US Environmental Protection Agency announced new vehicle emissions standards in March 2024, requiring average fleet emissions to be reduced by 56% by 2032 — less than the 67% previously proposed. In April 2024, in a departure from a 2022 proposal, the EU approved a new Euro 7 vehicle emissions standard that does not reduce emissions limits for cars and vans.

Weakness in Chinese consumer spending is also expected to slow EV sales, as China makes up most of the global EV market. Part of this will be offset by policy changes including a government incentive offering for up to 10,000 yuan (about US$1,400) for an ICE vehicle when purchasing an EV. The scheme was announced and took effect from May until the end 2024.

EV sales growth is forecast to recover to about 25% a year in 2025 and 2026, as improving battery technology promotes EV adoption. Costs per kWh for lithium-ion batteries fell by an average of 16% a year between 2013 and 2023, and technical performance has also improved. Bloomberg New Energy Finance (BNEF) forecasts that average battery prices will decrease from an average of US$139/kWh in 2023 to $80/kWh in 2030, which will deliver substantial improvements to the cost competitiveness of EVs relative to ICEVs.

World lithium consumption, by demand (below)

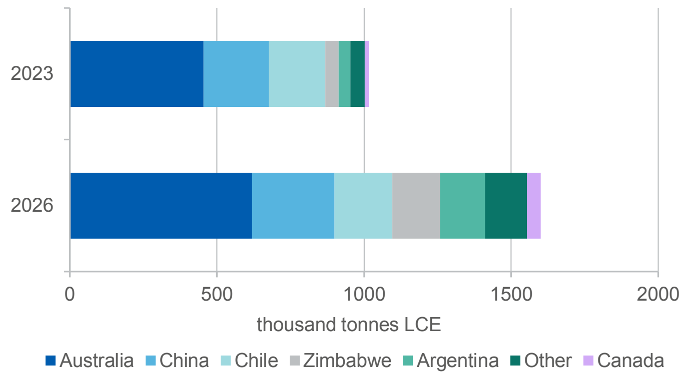


Notes: Projections are based on DISR analysis of Wood Mackenzie data.
Source: Department of Industry, Science and Resources (2024), Wood Mackenzie (2024)

World production of lithium - Argentina and Zimbabwe to emerge as major lithium producers

Global lithium extraction is forecast to rise by 17% per year to 1.7 mt LCE by 2026. Australia, Zimbabwe and Argentina are expected to drive supply growth over the outlook period. While production in Australia is expected to increase, Australia's share of global lithium extraction is projected to fall from 45% in 2023 to 39% by 2026 as supply picks up across a diverse range of countries..

Global lithium extraction, 2023 vs 2026 (below)

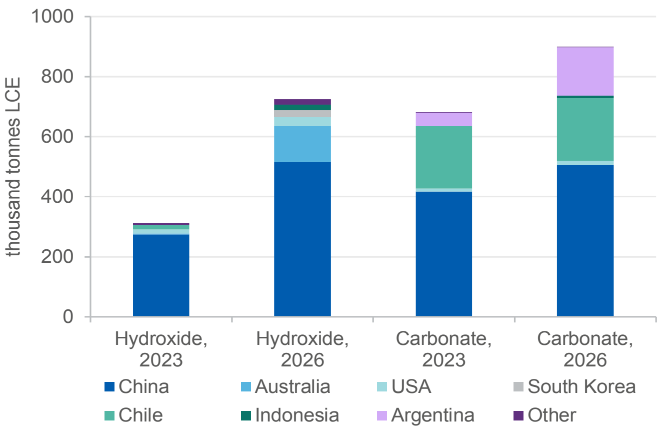


Notes: Includes lithium extracted from brines or mines. Projections are based on DISR analysis of Wood Mackenzie data.
Source: Department of Industry, Science and Resources (2024), Wood Mackenzie (2024).

Global lithium hydroxide supply to expand rapidly over the outlook period

Lithium ores produced from hard rock mining must be refined into lithium chemicals to be used in the production of battery cathodes, while evaporating brines produce lithium chemicals (largely lithium carbonate) that require no further refining. Lithium hydroxide can be used in NMC and LFP batteries, while lithium carbonate can be used in LFP batteries but must be processed into lithium hydroxide to be used for NMC batteries.
Global primary lithium hydroxide production is forecast to rise by 32% a year to 0.7 mt LCE by 2026 (see chart below). China's share of global production for lithium hydroxide is forecast to fall from 88% in 2023 to 67% by 2026, due to investments in lithium refinery capacity outside of China, particularly in Australia and the US.

Global lithium extraction, 2023 vs 2026 (below)



Notes: Includes supply from refineries and from brines, and therefore partially overlap with supply shown under lithium extraction. Lithium carbonate may be used as feedstock to produce lithium hydroxide. Excludes supply from recycling. Projections are based on DISR assessment, informed by Wood Mackenzie research. Source: Department of Industry, Science and Resources (2024), Wood Mackenzie (2024)

Global primary lithium carbonate production is forecast to rise by 10% a year to 0.9 mt LCE by 2026. China's share of global lithium carbonate production is forecast to rise from 61% in 2023 to 65% by 2026.

There is currently no substantial investment in facilities refining spodumene into lithium carbonate outside of China, and most of the new supply is expected to come from Argentinian brine projects. Offsetting some of the increase is lower production from Chinese facilities refining lithium lepidolite. Lower lithium prices have significantly lowered the profitability of mining and refining lepidolite, and this seems likely to persist over the outlook period.

Lithium prices to remain subdued as demand undershoots expectations

The rapid rise in adoption of EVs drove a record rally in lithium prices over 2021 and 2022. China's lithium spodumene and hydroxide prices peaked in November 2022, with spodumene averaging US$6,108 a tonne and the lithium hydroxide price averaging $75,393 a tonne.

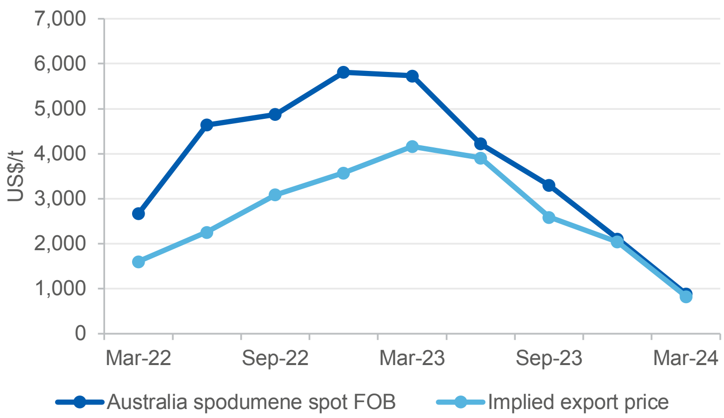
Since H2 2023, slowing growth in EV sales has resulted in lithium demand growth falling below expectations. The wave of investment in lithium production spurred on by the high prices of 2022 is bearing fruit. As a result, the lithium sector overcapacity has emerged. Prices fell over 2023 and stabilized in H1 2024. In May 2024, spodumene averaged US$1,220 a tonne, while the lithium hydroxide price averaged US$13,612 a tonne.

China's lithium spodumene price is forecast to remain weak over H2 2024, averaging US$1,100 a tonne over the year, before picking up to US$1,300 a tonne by 2026. This is largely driven by lithium demand, which faces headwinds over H2 2024 due to weak growth in EV demand. The market is expected to remain in surplus, as low prices have yet to result in sufficient supply to exit the market. Similarly, China lithium hydroxide price is forecast to average at about US$14,000 a tonne over 2024 before rising to about US$16,000 a tonne by 2026.

Export earnings fall from record high as contract price were renegotiated

Australian lithium spodumene export earnings fell 84% year-on-year in the March quarter 2024 to A$1.0b. This was largely driven by lower prices: the implied export price of Australian spodumene (at an equivalent to spodumene with 6% lithium content basis) fell 80% year-on-year. Substantial parts of Australian lithium exports trade under offtake agreements, which have in the past been linked to historically high spot prices over several months. However, there was no substantial deviation between spot and implied export price over the December 2023 and March 2024 quarters, likely because of contract renegotiations which followed the downturn in EV demand growth.

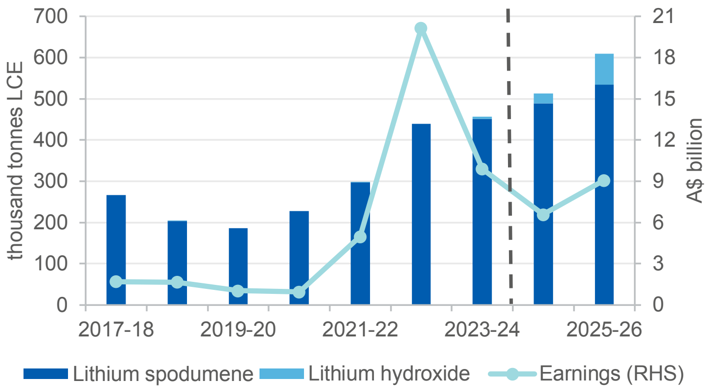
Historical spodumene price (below)



Notes: The Australian export implied price is derived from export volumes and values published by the ABS, adjusting export volumes to be equivalent to spodumene with 6% lithium content.
Source: S&P Global (2024); ABS (2024); Department of Industry, Science and Resources

Export earnings to fall as lithium prices remain low

Mine production is expected to rise by about 10% per annum over the outlook period (see figure below).



Source: Department of Industry, Science and Resources (2024)

The production increase will be driven by a ramp-up at Mt Holland, the re-opening of Bald Hill, and an expected opening at Kathleen Valley later this year, as well as expansions at Greenbushes and Mt Marion. Mineral Resources have paused the ramp up of Wodgina's third train until market conditions improve.

Australian output of lithium hydroxide is forecast to reach 74 kt in LCE terms by 2025–26, meaning around 12% of forecast Australian lithium mine production will be processed in Australia. Production ramp-ups at the Tianqi Kwinana refinery and the Kemerton refinery are expected to continue. Construction at the Covalent Kwinana refinery is ongoing, and the facility is expected to begin production in H1 2025.

Lithium export earnings are expected to fall from a record A$20 billion in 2022–23 to A$6.6 billion a year in 2024-25. Export earnings are forecast to recover to $9.1 billion a year by 2025-26 as prices recover and output expands.

IRON ORE

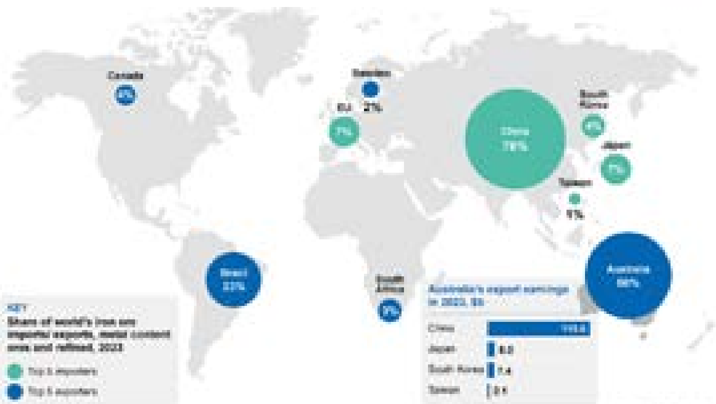
SUMMARY: .

Spot iron ore prices have stabilized in recent months, following price falls of around 30% in the March quarter 2024. The recent recovery reflects inventory restocking and improved demand sentiment — given strengthening forward indicators of Chinese industrial production.

Australian export volumes moderated in the March quarter, because of a combination of weather disruptions and maintenance and capital works at key operations. As more greenfield supply comes online from existing and emerging producers, export volumes are forecast to increase by 2.3% annually over the next two years.

Lower prices projected over the outlook period will reduce Australia's iron ore export earnings from $138 billion in 2023–24 to $114 billion in 2024–25 and $102 billion in 2025–26.

Iron ore trade map



Source: ITC Comtrade, ABS

Iron ore prices stabilized in the June quarter, after large falls early in 2024

Iron ore prices stabilized in the June quarter, with the benchmark iron ore spot price (basis 62% Fe fines CFR Qingdao) averaging around $107 a tonne. This follows steep falls in the first quarter of 2024, with prices falling from over US$130 a tonne in January, to around US$95 a tonne in late- March, the lowest level since late 2022.

The stabilization and consequent pickup in iron ore prices in recent months reflects a combination of factors. This includes a slowing in the rapid build-up of iron ore inventories (which commenced in the December quarter 2023), as well as improved sentiment — due to both a strengthening of forward indicators of Chinese industrial production and a series of Chinese government measures to support China's economy.

The recovery in iron ore prices since March has occurred despite weak steel production in China (down 7.8% and 7.2% year-on-year in March and April, respectively). Following a fall in China's port-side iron ore inventories (to around 20% below historic averages in the December quarter 2023) stockpiles have been rebuilt to levels above the long-run average.

Historical Gold Price (below)

Source: https://tradingeconomics.com/commodity/iron-ore

Demand and price outlook

Premiums for high-grade iron ore products fell in the early part of 2024, as mills sought to reduce operating costs. However, a recent pickup in profitability has seen a modest turnaround, with premiums for 65% pellet recovering in April.

New infrastructure investment in China, as well as new measures by the Chinese government to alleviate weakness in the domestic property sector, should provide support for construction activity — and hence steel and iron ore demand — over the next few years.

Global (ex-China) steelmaking has a slightly healthier outlook for 2024, with growth forecast to exceed 4.5%. European steel mills are expected to make up some of the production lost when high energy prices in 2022 led to widespread plant idling and production stoppages.

Over the next two years, a modest rise in iron ore imports is expected by major purchasers in Europe, North America, East and South-East Asia and the Middle East. This pickup should provide support for iron ore demand and prices.
Overall, risks to the global iron ore demand outlook remain broadly balanced. Inflation is gradually coming down towards target levels in most advanced nations, with market expectations of interest rate cuts in the December quarter 2024. The IMF expects growth in China's economy of 5.0% in 2024 moderating to 4.5% in 2025 and 4.1% in 2026 as part of the longer- term shift to a slower growth trajectory. However, the IMF warns that China's property sector remains a downside risk, and without a comprehensive response, growth could falter, hurting its trading partners.

Australian output moderated in March quarter due to wet weather and maintenance

Australia's iron ore export earnings were $34.4 billion in the March quarter 2024, a 4.5% (or $1.5 billion) increase year-on-year. The increase reflected higher iron ore prices over the period, with the unit export price in the March quarter 2024 6.8% higher compared with the previous year. Export volumes fell by 2.1% year-on-year in the March quarter 2024.

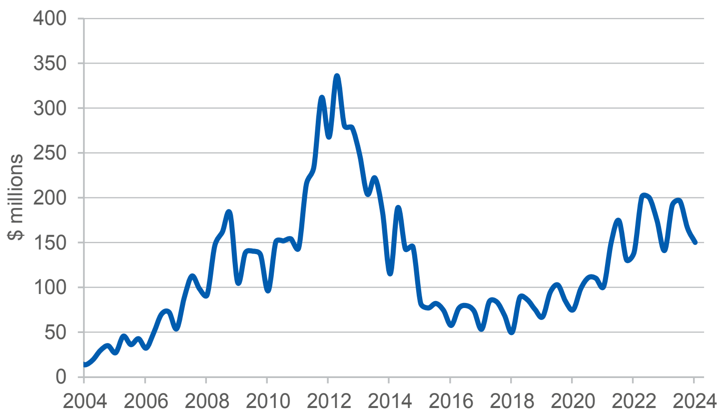
In volume terms, Australia exported 211 million tonnes of iron ore in the March quarter 2024, down 4.6 million tonnes year-on-year. The weaker exports in the March quarter 2024 reflect a combination of weather disruptions and maintenance and capital works at key operations.

Australia's iron ore shipments in April were affected by closures to Rio Tinto's Dampier and Walcott ports, due to Cyclone Olga and disruptions to loadings at Port Hedland.

Over the outlook period to end 2026, Australia's iron ore production volumes are projected to increase by 2.3% a year over the next two years, to reach an estimated 1,015 Mt by 2025-26.

Exploration fell in 1Q 2024

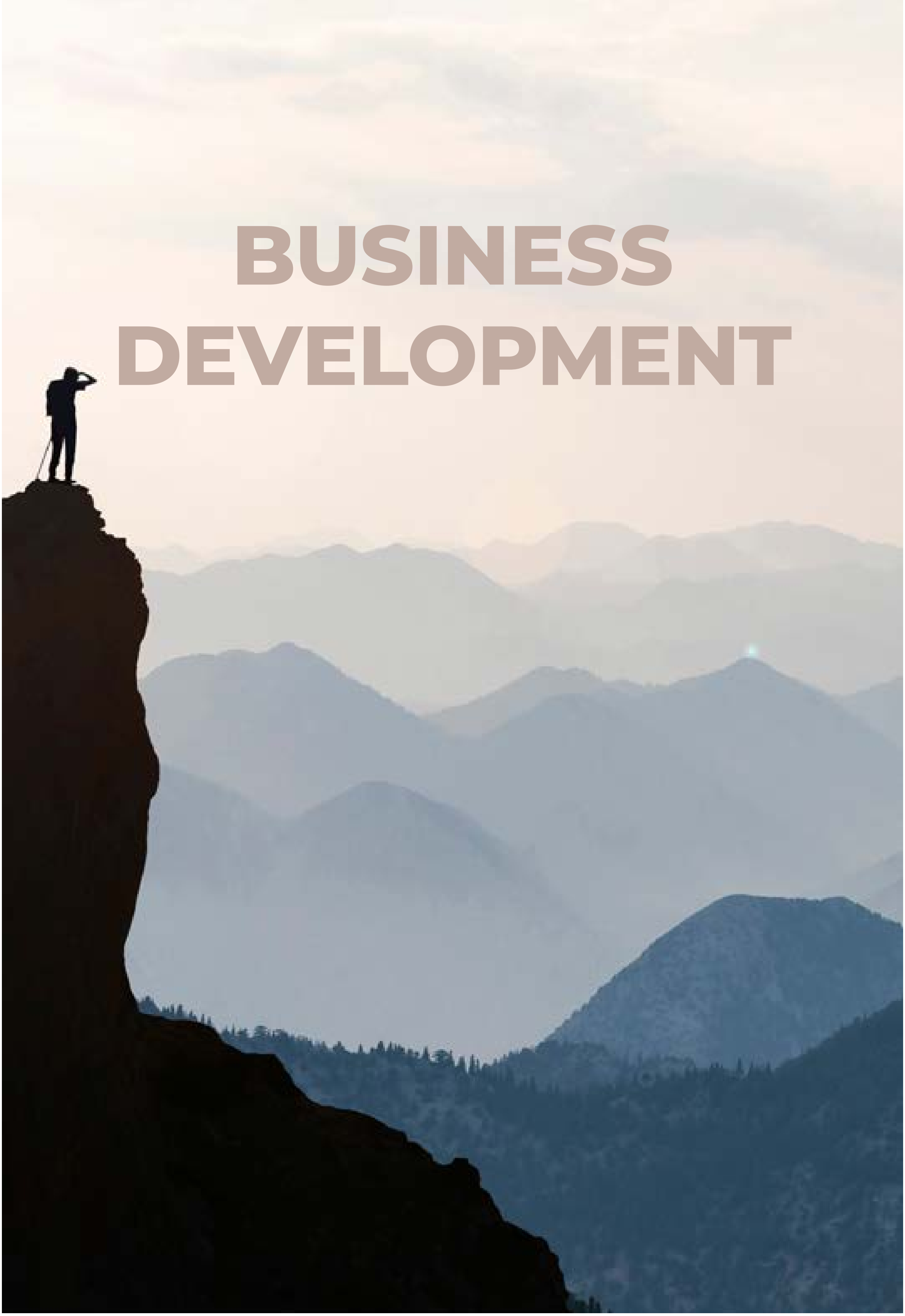
A total of $150.3 million was spent on iron ore exploration in the March quarter 2024 (see below).



Source: ABS (2024) Catalogue 8412.0

This was 9.6% lower compared to the previous quarter, and 6.3% higher than the same period in 2023. Exploration has eased from near decade highs in 2022. However, the latest results continue the broad upward trend in iron ore exploration triggered by the historical high iron ore prices (of above US$200 a tonne) in early 2021.

Source: https://www.industry.gov.au/publications/resources-and-energy-quarterly-june-2024


BUSINESS
DEVELOPMENT

BUSINESS DEVELOPMENT

Business Update

In Fiscal year 2024, we have continued to reduce the cash burn and streamline our operations to achieve the most efficiency. Key technical objectives have been achieved in the development of our assets in Australia.

Following the extensive technical work realized earlier in the year, we submitted a Programme of Work for our license at Moolyella in June 2024. The Programme of Work was subsequently approved by DEMIRS in August 2024 and drilling will be scheduled in due course.

At Kingston Keith we completed the negotiation of an Exploration Agreement with Tjiwarl Aboriginal Corporation, which paves the way to exploration ground activities in the Southern part of our license. Negotiations have now started with TMPAC that covers the Northern part of our license, which we hope to complete within the next few months. This will facilitate the discussions we are having with parties looking to partner with us on the project, given Kingston Keith has shown prospectivity for both lithium and gold. In particular, given the continued downturn in lithium prices, availability of capital to invest in lithium project is currently reduced. But with gold prices at all time highs and Kingston Keith being located in the sweet spot of Western Australia's gold district, we have decided to dedicate more capex dollars to firming up this project's gold potential.

Separately, we have reviewed a number of early stage projects in the course of the year but have not yet decided to make new investments as we remain very selective.

Business Activities

The Company's focus is on (majority) acquisitions in mineral exploration companies and properties, mostly located in developed countries that have the most attractive mining jurisdictions, with a specific focus on battery metals, copper, iron ore and gold deposits.

In financial year 2020 the Group started its activities in the raw material sector and is in the early stage of exploration activities which continued through to mid 2024.

The current business activities of SunMirror Group consist merely of exploration (i.e., the search for and development of economically viable reserves of mineral resources) and holding rights for potential royalties in this sector. Subject to a successful exploration program SunMirror Group also plans to be active in the field of the development, mining, and extraction of mineral resources in the future.

Objectives and Strategies

SunMirror pursues an opportunistic acquisition strategy of new exploration and operating assets. All current projects are held 100% by the Group. The Group's strategy is to acquire primarily sole ownership or controlling interests (save for potential royalty opportunities). Any decision on the acquisition of additional exploration and operating assets will only be made after successful due diligence, negotiations/commercial agreement and securing any required financing.

SunMirror pursues discussions with various potential partners that could participate in the development of its projects with carries and milestone-based earn-ins. This approach will contribute to SunMirror ability to diversify its portfolio of assets.

SunMirror seeks to acquire mineral assets that have seen at least some work from the previous owners and operators. This partial de-risking strategy provides SunMirror with baseline information to estimate the potential likelihood of encountering further encouraging results, as well as a starting point from which to direct the next phases of work; and consequently, reduce the risk of SunMirror not being able to deliver attractive prospects for the projects.

The Company's strategy is to invest into exploration and mining assets with a focus on metals critical for the fast-growing European green technology industry such as cobalt, copper, gold, lithium, nickel, and tin. The focus is furthermore on assets located in stable, low risk jurisdictions, e.g., Australia, Europe and possibly select African countries. By focusing on mineral assets in these more mature jurisdictions, management of SunMirror tries to avoid typical expropriation and political risk associated with mineral assets in more challenging countries.

Research and Development

Since the business model of SunMirror does not require any research and development activities, it can mainly operate adopting commonly used best practices in its core business areas, and as such there are no current research and development activities apart from its ongoing mineral exploration programs.

Operating Activities

The Group invests into exploration and mining assets with a focus on critical metals relevant for the European industry. The Group continues to advance its exploration assets and with the aim to eventually operate multiple mines and processing plants. Currently, the Group holds 3 assets in Western Australia:

- **Moolyella:** The Group holds an exploration licence (E 45/5573) granted on 23 December 2020 for a term of five years for an area of approximately 93 square kilometers in Moolyella, located in North-western Australia, which the Group believes has a robust potential for lithium-bearing pegmatites as well as tin, tantalum and rare earths.

  The property is an early-stage exploration project with no JORC-compliant mineral resources defined as yet, except for a historic JORC-compliant resource on tin and tantalum published by a previous operator, LitheX Resources Limited, on the 2 nd March 2012.

  At the beginning of June 2023, Terra Search Pty Ltd (a mineral exploration services and geology company based in Perth, was engaged to collect up to 3,500 soil samples over the priority 1 target areas identified by SGC. The sampling work was completed by the end of July and the results interpretation completed by October 2023 identified several areas with high grade lithium in soil values.

  In October 2023 a 7-day field visit was completed by Geonomik Pty Ltd to check the location of these high-grade lithium in soil locations. Significant pegmatite swarms were identified, some up to 2 km in length and up to 15 meters wide. Some of the pegmatites identified represent the continuation of lithium-bearing pegmatites extending from adjacent tenements into the Moolyella licence.

  62 rock samples were collected on the 7-day visit and sent off for analysis at ALS laboratories. The top five best samples returned lithium values of 2.185% Li 2O, 1.296% Li 2O, 1.001% Li 2O, 0.956% Li 2O and 0.797% Li 2O. To put these grades into context, Global Lithium Resources Limited (which surrounds our licence on three sides) reported an upgraded JORC 2012 Mineral Resource of 18.0 million tonnes at 1% Li 2O on its Archer lithium deposit in December 2022.

In April 2024, a 5-day Heritage Site was completed by Geonomik Pty Ltd in conjunction with the Nyamal Aboriginal Corporation (NAC), the traditional landowners of the ground in the Moolyella licence area. The purpose of the visit was to review proposed drill site locations targeting lithium-bearing pegmatites and assess whether they were in culturally sensitive areas. A total of 5km 2 of ground was carefully covered on foot and 88% of the ground (4.4km 2) was cleared for drilling.

Following a review of the areas cleared for drilling by the NAC's site visit, the Company submitted a Programme of Work (PoW) to the Department of Energy, Mines, Industry and Regulation (DEMIRS) on the 7 th June 2024 for up to 495 reverse circulation (RC) drill hole sites.

Following a review of the PoW (supported by a copy of the Company's Moolyella Exploration Environmental Management Plan), the PoW was formally approved by the DEMIRS on 13 th August 2024.

Scheduling the drilling of these targets will depend on the state of the lithium market, which is currently in over supply with depressed prices, which also impacts availability of capital. Given the PoW has been approved, the Company stands ready to action the drilling programme at an opportune time.
Paperwork to renew the licence will begin 3 months before the licence come up for renewal on the 22nd December 2025. The company does not expect any problems with the renewal process as it has complied fully with all conditions associated in keeping the licence in good standing.

- **Kingston-Keith:** The Group holds an exploration licence (E 53/1953) granted on 9 March 2020 for a period of five years for an area of approx. 152 square kilometers in the Kingston-Keith/Mt. Keith area, situated in a prolific gold and nickel production district in central Western Australia, which the Group believes have good potential for gold, lithium and potentially nickel. The property is an exploration project with no JORC-compliant mineral resources defined as yet.

In July 2023, Southern Geoscience Consultants (SGC) were contracted to produce a structural interpretation of the bedrock geology within the Kingston Keith license based on the MAGSPEC airborne magnetic data that was commissioned by the Company and flown in January 2023. SGC's interpretation was aided by processing and imaging of this data and was constrained by geological data derived from previous mapping and field work across the region. Their resulting interpretation has provided the Company with a 1:20,000 scale base map across the project area revising previous government mapping and interpretations.

SGC's structural interpretation formed the basis for a target generation program, and 23 targets were identified to focus future exploration efforts. Their targets are based on interpreted presence of lithologies, structures, sites of alteration and geochemical anomalies, that may be more favourable to host gold or lithium mineralization.

The interpretation delineates major and minor structural features, cross-cutting dykes, and different magnetic units. Significant subtle internal variation was observed within the mafic basalts which could suggest sites of possible faulting. Given the high level of structural complexity and extensive cover, further geological analysis would be required to confirm some structures, intrusions and lithologies, or further refine the interpretation. The Company considers this interpretation as a live dataset to be reviewed and updated as new geological information becomes available.

In total, 23 target areas were identified by SGC as having potential for gold or lithium mineralization. Their target areas were based on a set of criteria including one or more of the interpreted presences of key lithologies, structures, elevated previous mapping, mineral occurrences and / or sites of alteration.

Whilst not as many lithium-specific targets were generated by the SGC study (compared with SGC's Moolyella licence study), the Kingston Keith licence area has primarily been explored for gold and nickel in the past, and as such there is little information on any historic lithium exploration to use for targeting purposes.

The 23 gold and lithium targets will now be assessed and followed up with further work which may include mapping, soil sampling, geochemistry, integration with additional ground or airborne geophysics, or drilling.

In April 2024, the Company signed and Exploration Agreement with the Tjiwarl Aboriginal Corporation (TAC), the traditional landowners of the ground covering the southern half of the licence. This agreement paves the way for the Company to carry out physical exploration work on the ground. The Company is also negotiating a similar agreement with the TMPAC Group who are the traditional landowners covering the northern half of the licence, which should be concluded before year end, and would allow the Company to carry out physical exploration work within the northern half of the licence.

The Kingston Keith licence is due for renewal on the 8th March 2025, and the required paperwork to complete the renewal is already underway. As all conditions associated with keeping the licence in good standing have been complied with, the Company does not envisage any problems with the licence being renewed.

- **Cape Lambert:** The Group holds a royalty on future mine production from the MCC Australia Sanjin Mining Pty Ltd ("MCC")'s retention licence (R 47/18) on their Cape Lambert magnetite project covering an area of approximately 84 square kilometers in the Cape Lambert region in Western Australia (and more broadly on the territory covered by defunct licence E47/1462). This is a passive holding investment held by the Group.

  The Group does not expect any royalties from the project in the short-term. This expectation is based on the following assumptions: Currently, MCC holds a so-called retention licence for the Cape Lambert project. A retention licence is a licence at an intermediate licencing stage between exploration licence and mining lease, which allows the holder to retain but not to develop a mining project, e.g., because of pending commercial feasibility or the development of required transportation infrastructure.

  The Group may look at selling its royalty if approached by a third party offering a fair value. The maximum licence term for a retention licence is 10 years

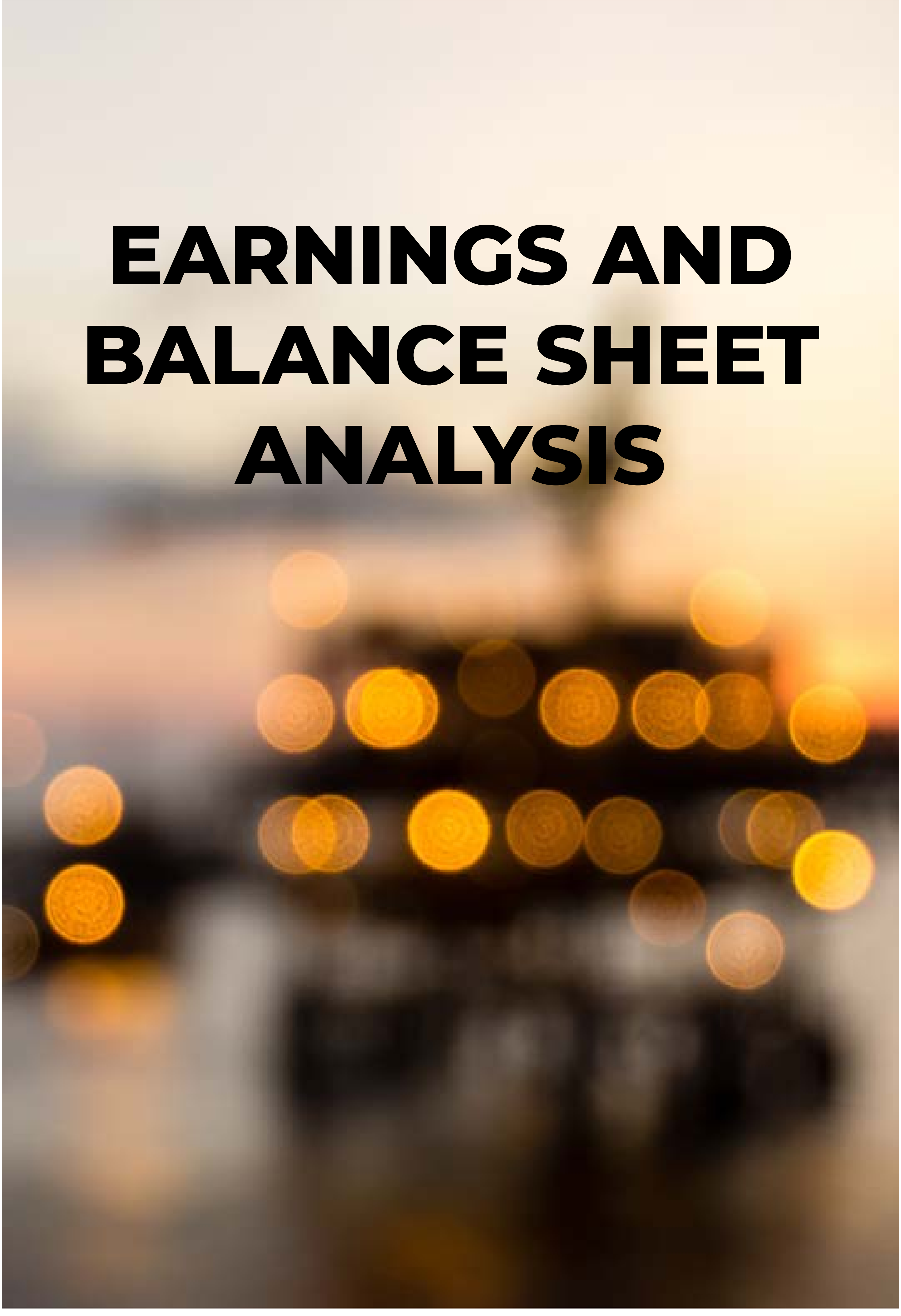
The Group assets of the company, located at Moolyella and Kingston Keith are at an exploration phase and do not produce any revenue for the time being. A pre-feasibility study was completed by MCC on the Cape Lambert magnetite project, but has not yet placed it into production. The Group expects that production at MCC's Cape Lambert mine will not start in the short term.

A minimum exploration budget for the fiscal year 2024 of roughly USD 0.2 million is estimated for the company's Australian projects. This amount is subject to continuous review by the Board and is dependent on positive results generated from ongoing exploration work.

Acquisitions

The Group continues to be on the lookout of acquisition or partnership opportunities to complement its portfolio of assets in Australia with a focus on other developed countries and/or select African countries. Some discussions are taking place with companies looking to combine or sell assets.

EARNINGS AND BALANCE SHEET ANALYSIS



EARNINGS AND BALANCE SHEET ANALYSIS

Basis of preparation

The consolidated financial statements of SunMirror Group for the twelve months ended 30 June 2024 have been prepared on a going concern basis in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Revenues

SunMirror did not generate any revenues within the financial year 2024 as well as in the comparative period 2023.

The Group assets located at Moolyella and Kingston Keith are in an exploration phase and do not produce any revenue for the time being. The Group plans to continue exploration on these two exploration licenses. For the next 18 months funded by financial means already available to the Group as well as other financing to be provided by investors if needed. The Group holds a passive royalty over the Cape Lambert North project in Western Australia and has no influence over actions taken by MCC Australia Sanjin Mining Pty Ltd (MCC). The project is held by MCC under a Retention Licence. A pre-feasibility study was developed for the project in 2012 but to SunMirror's knowledge, no decision to develop the project has been made yet. The Group expects that production at the Cape Lambert mine will not start in the short-term as described above.

Other income

Other income results from the reversal of current provisions that are no longer required, a successful reclaim of a lump-sum fee recognized as an expense and the successful recovery of VAT input tax.

Exploration expenditures

Depending on economic developments, the two evaluation and exploration sites Moolyella and Kingston Keith are currently being explored for potential resources. In the financial years 2024 (USD 0.4 million) and 2023 (USD 0.2 million), the costs incurred were fully capitalized, which is why no expenses were recognized in the statement of profit and loss.

Personnel expenses

In USD thousand	**2024**	**2023**
Wages and salaries	-777	-865
Share-based payments	0	-8
Social security and insurance contributions	-16	-41
Defined benefits plans	0	-18
Defined contribution plans	-2	-4
Other personnel expenses	-11	-13
Total Personnel expenses	**-806**	**-949**

Personnel expenses decreased by 15.0% (USD 0.1 million) in the 2024 financial year and amounted to USD 0.8 million (2023: USD 0.9 million). The number of full-time equivalents (FTE) fell further from an average of 3.2 FTE in the previous year to 2.0 FTE in the 2024 reporting year.

General and administrative expense

In USD thousand	**2024**	**2023**
Consulting fees	-3	-97
Regulatory expenses	-68	-213
Legal and tax fees	-63	-588
Accounting and auditing fees	-279	-680
Investor Relations	-70	-294
Capital tax	-2	-14
Other operating expenses	-87	-153
Total General and administrative expenses	**-572**	**-2,039**

General and administrative expense decreased by 72.0% (USD 1.4 million) in the 2024 financial year and amount to USD 0.6 million (2023: USD 2.0 million).

The consulting agreement with Opus Capital Switzerland AG (renamed Calym AG, in liquidation) was terminated in the last financial year. No further costs were incurred from this consultancy agreement in the 2024 financial year.

The cost of legal and tax advice was reduced considerably as no further legal cases were brought to SunMirror AG.

There were no new business transactions in the 2024 financial year and the change of auditor as well as the reduced scope of business led to significantly lower accounting and auditing fees. The expenses for regulatory measures and investor relations were also significantly lower, as the company‘s activities in the financial year were mainly focused on existing exploration assets.

Financial result

In USD thousand	**2024**	**2023**
Gains on marketable securities	0	42
Foreign currency exchange gains	117	81
Interest income	66	13
Financial income	**183**	**136**
Interest expenses	0	-218
Foreign currency exchange losses	-205	-510
Financial expenses	**-205**	**-728**
Total Financial result	**-22**	**-592**

Financial income in the 2024 financial year resulted primarily from interest income on cash and cash equivalents and receivables as well as exchange rate gains.

Financial expenses decreased by 71.9% (USD 0.5 million) in the 2024 financial year and amounted to USD 0.2 million (2023: USD 0.7 million). Financial expenses in the 2024 financial year resulted exclusively from exchange rate losses. There were no more interest expenses for debt instruments in the 2024 financial year.

Income tax

In the current and previous periods, the Group did not generate taxable profits. No deferred tax asset has been recognized in relation to tax losses carry forward due to the uncertainty of realization.

Cash flow Statement

For the year eneded June 30:

In USD thousand	**2024**	**2023**
Net cash flow from operating activities	**-1,508**	**-4,248**
Net cash flow from investing activities	**-389**	**-88**
Net cash flow from financing activities	**0**	**-2,600**
Net foreign exchange differences	8	317
Net change in cash and cash equivalents	**-1,889**	**-6,619**
Cash and cash equivalents at beginning of year	3,992	10,611
Cash and cash equivalents at end of year	2,103	3,992

The net cash outflow from operating activities decreased by 64.5% (USD 2.7 million) to USD 1.5 million in the 2024 financial year (2023 USD 4.2 million) and and reflects the reduced business activity as well as the cost savings.

The net cash outflow from investing activities shows the capital expenditure on exploration and evaluation assets in the 2024 financial year. These increased to a total of USD 0.4 million (2023: USD 0.1 million) as part of the expanded exploration activities.

There were no financing activities in the 2024 financial year.

Assets

In USD thousand	**30 June 2024**	**30 June 2023**
ASSETS		
Non-current assets		
Intangible assets	25,488	25,435
Exploration and evaluation assets	4,250	3,863
Total non-current assets	**29,738**	**29,298**
Current assets		
Financial assets	334	333
Other short-term receivables	192	169
Cash and cash equivalents	2,103	3,992
Total current assets	**2,629**	**4,494**
Total assets	**32,367**	**33,792**

Total assets decreased by 4.2% (USD 1.4 million) to USD 32.4 million as at end of June 2024 (June 2023: USD 33.8 million).

Intangible assets remained virtually unchanged compared to the previous year (i.e. Cape Lambert license agreement and domains). The carrying amount only increased slightly because of currency fluctuations. Exploration and evaluation assets (i.e. Moolyella and Kingston Keith) increased by 10.0% (USD 0.4 million) to USD 4.3 million in the 2024 financial year (June 2023: USD 3.9 million).

Liabilities

In USD thousand	30 June 2024	30 June 2023
Non-current liabilities		
Provision stock option plan	8	8
Total non-current liabilities	**8**	**8**
Current liabilities		
Trade payables	36	89
Other payables	287	519
Other non-financial liabilities	3	13
Total current liabilities	**326**	**621**
Total liabilities	**334**	**629**

As at 30 June 2024 liabilities decreased by 46.9% (USD 0.3 million) to USD 0.3 million (June 2023: USD 0.6 million).

Non-current liabilities

In May 2023, the Board of Directors of SunMirror AG introduced a stock option plan. Certain members of the management and selected key employees are eligible to participate in the plan (participants).

In the 2024 financial year, 8,984 options were allocated (previous year: 8,984 options). However, the expense for the service period was offset by the lower market value of all allocated options as at the reporting date of 30.06.2024, which is why the provision remained virtually unchanged compared to the previous year.

Current liabilities

As a result of efforts to reduce other operating expenses, trade payables and other liabilities were further reduced as at the end of June 2024 compared to the end of June 2023. Other non-financial liabilities include accruals for capital taxes (June 2024 and June 2023).

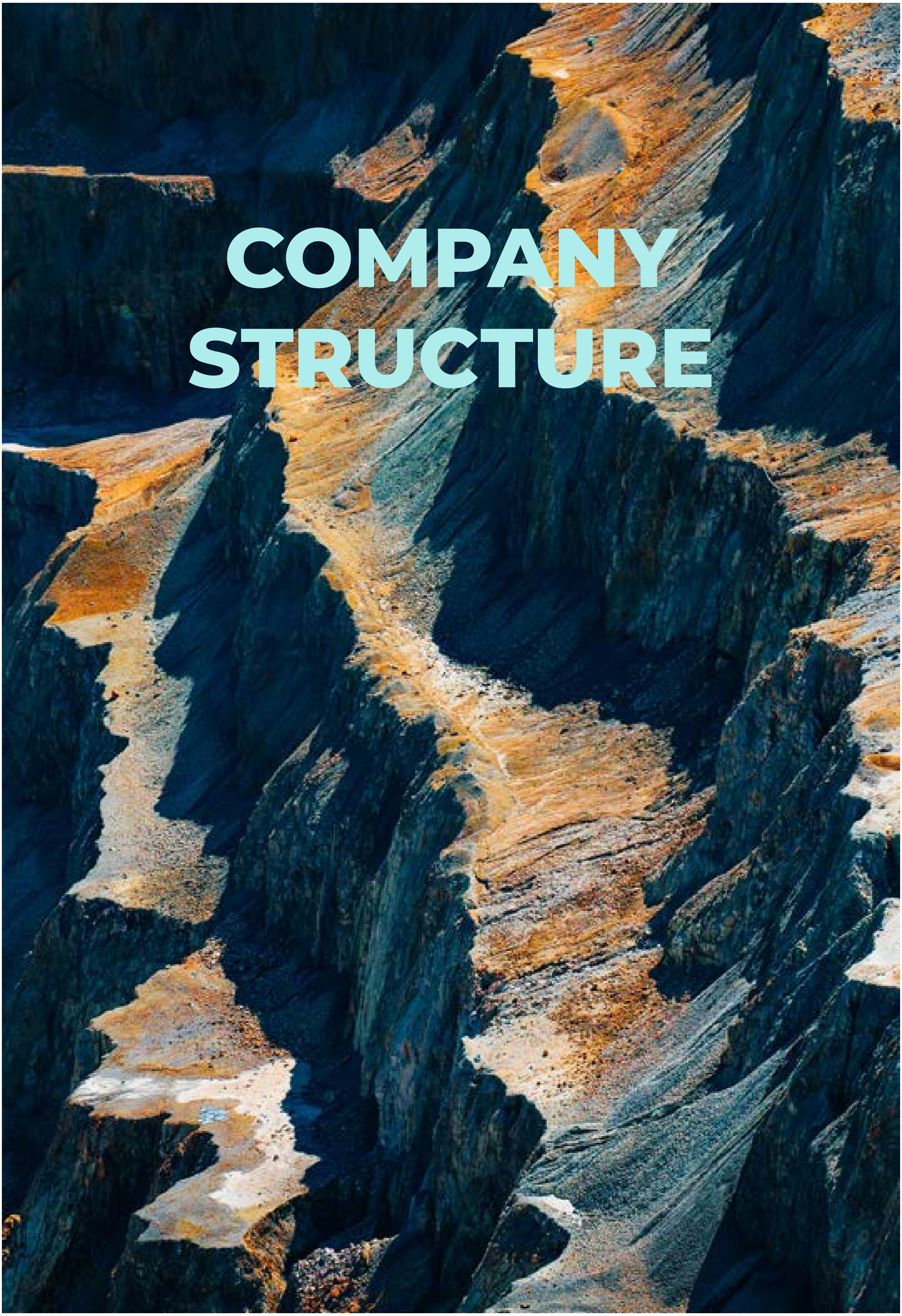
Equity

In USD thousand	30 June 2024	30 June 2023
EQUITY AND LIABILITIES		
Equity		
Share capital	2,585	2,585
Capital reserves	58,092	58,092
Accumulated losses	-27,752	-26,521
Other reserves	-892	-993
Total shareholders' equity	**32,033**	**33,163**

Shareholders' equity decreased by 3.4% (USD 1.2 million) to USD 32.0 million at the end of June 2024 (June 2023: USD 33.2 million). At the end of June 2024, the Group had an equity to asset ratio of 99.0% (June 2022: 98.1%).

The gain in other comprehensive income amounted to USD 0.1 million in the 2024 financial year and mainly reflects the volatile exchange rate movements in the foreign currencies relevant to SunMirror, AUD and EUR (2023 loss in other comprehensive income of USD 0.6 million).

COMPANY STRUCTURE



COMPANY STRUCTURE

Registered Office, Financial Year, duration of the Company, Corporate Purpose

SunMirror AG is a stock corporation (Aktiengesellschaft) incorporated and operating under Swiss law. Its registered office is in Zug, Switzerland and it is registered with the commercial register office of the canton of Zug under CHE 395.708.464.

The Company's address is General-Guisan-Strasse 6, 6300 Zug, Switzerland, telephone number +41 43 505 14 00. The Company's website is www.sunmirror.com.

The Company's legal name is „SunMirror AG". The Company and its subsidiaries operate on the market under the commercial name „SunMirror". The Company is established for an unlimited period of time. The Company's legal entity identifier (LEI) is 894500R3EZWT4CYDM933. The financial year of the Company runs from 1 July of a calendar year until 30 June of the next calendar year.

According to Article 2 of the Company's Articles of Association, the statutory purpose of the Company is to promote the long-term value of the subsidiaries, affiliated companies or participation through uniform administration and centralized services and to provide the associated financing. In addition, the Company may buy, sell, broker, manage and exploit real estate, securities, participations and intellectual property rights, establish subsidiaries and branches in Switzerland and abroad and carry out all commercial activities related to the purpose of the Company.

The Creation and Historical Development of the Company

The Company was first incorporated under the name Dynastar AG on 24 September 2014 with its registered office in Erlenbach ZH, Switzerland, and was registered with the commercial register office of the Canton of Zurich under CHE-395.708.464.

In 2018, the Company's shares were admitted to listing on the regulated unofficial market segment (Freiverkehr) of Düsseldorf Stock Exchange (Börse Düsseldorf).

On 31 August 2020 the Company's general meeting resolved to acquire all shares of Couno Resources S.A. (today, SunMirror Luxembourg S.A. – „SunMirror Luxembourg") by means of a contribution in kind, to change the Company's name to SunMirror AG and to move its registered office from the Canton of Zurich to the Canton of Zug. The acquisition of SunMirror Luxembourg was completed on 7 September 2020.

Thereby, also the subsidiaries of SunMirror Luxembourg, Lithium 1, and Pharlap, became part of the Group, resulting in the structure prodived below.:

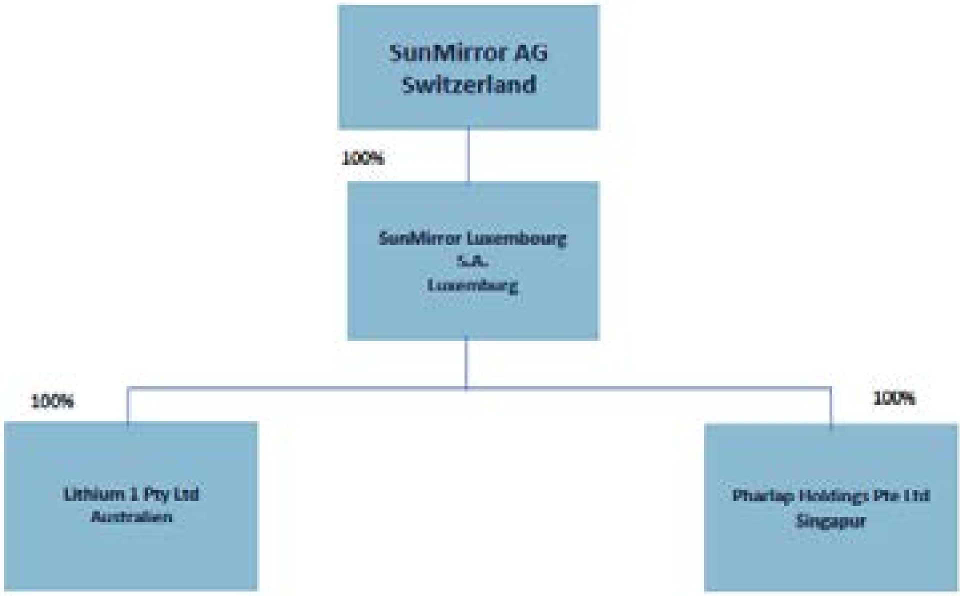
SunMirror Luxembourg acquired all shares of Lithium 1 by means of a share purchase agreement dated 14 February 2020. Lithium 1 is an Australian company which holds exploration licences for the tenements Moolyella (Lithium) and Kingston-Keith (Gold and Nickel), both located in Western Australia.

SunMirror Luxembourg acquired all shares of Pharlap by means of a share purchase agreement dated 12 August 2020, amended on 18 December 2020. Pharlap is a Singapore company whose main asset is composed of a royalty agreement relating to future royalties payable in relation to the Cape Lambert magnetite project.

On 30 November 2020, the Shares were included for trading on the Vienna MTF (market segment direct market) of Vienna Stock Exchange (Wiener Börse).

On 26 November 2021, the Listed Shares were admitted to trading on the Official Market (Amtlicher Handel) of the Vienna Stock Exchange (Wiener Börse), a regulated market pursuant to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended (Markets in Financial Instruments Directive II – „MiFID II").

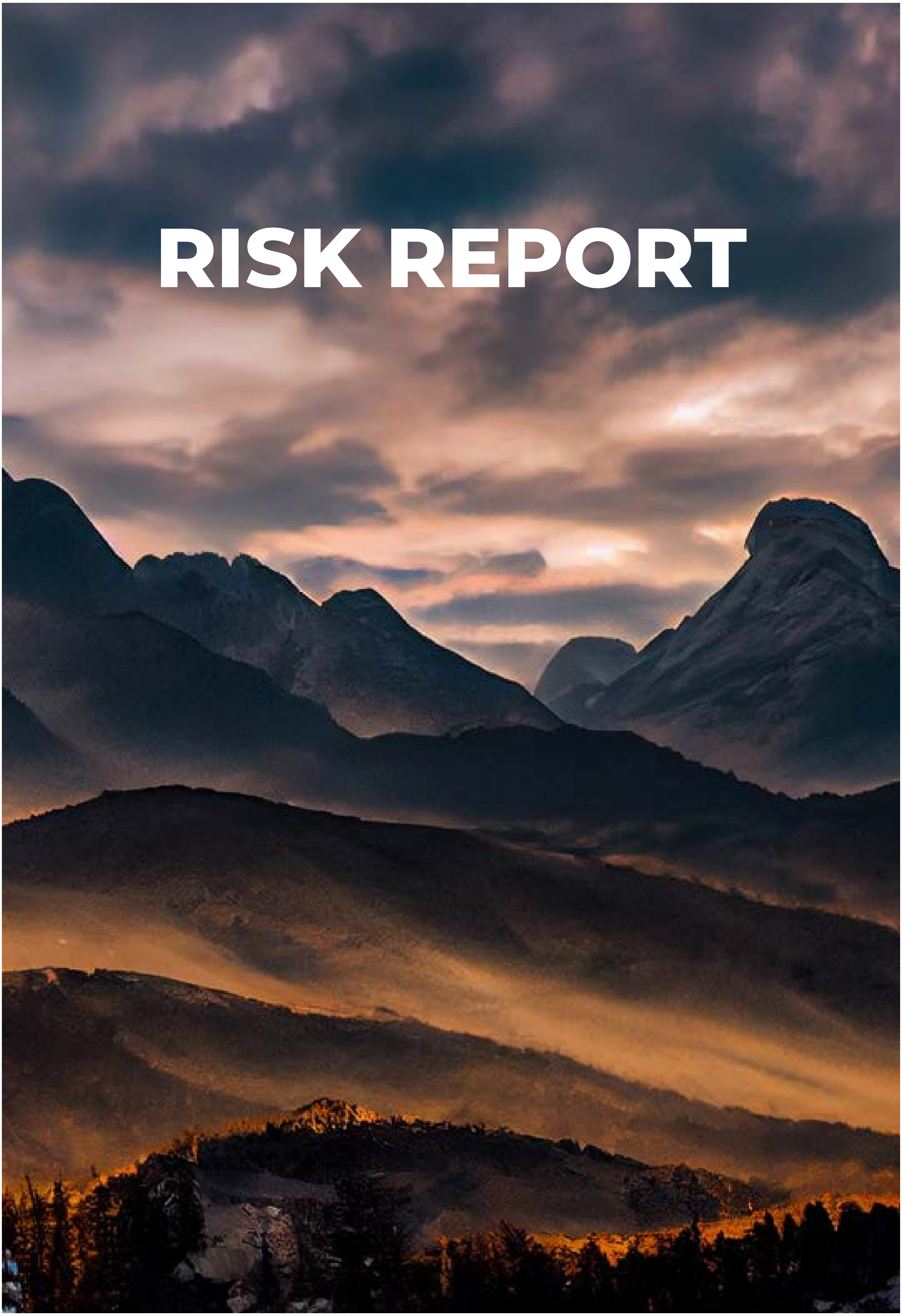
In January 2024, trading of SunMirror AG shares ceased on the Düsseldorf and Frankfurt stock exchanges. Sunmirror AG shares can only be traded in auction trading on the Vienna Stock Exchange.



Significant subsidiaries

The significant subsidiaries of the Company are (i) SunMirror Luxembourg S.A., incorporated in Luxembourg, (ii) Lithium 1 Pty Ltd, incorporated in Australia, and (iii) Pharlap Holdings Pte Ltd, incorporated in Singapore. The Company holds, directly or indirectly, 100% of all shares and all votes in each such company.

RISK REPORT



RISK REPORT

Business related Risk factors

The Company is a start-up company with no operating history and has not generated cash inflows as yet and will continue to be dependent on equity or debt funding at acceptable conditions in order to finance its business activities. The establishment of completely new business activities may fail, especially against the background of SunMirror's focus on mineral exploration companies, however the company aims to mitigate this risk by hiring relevant experienced industry personnel and conducting exploration with the objective of establishing mineral resources.

There is significant risk in the identification and proving up resources. While as of today no drilling has been done, there is no guarantee that future drilling programs will be successful. This means that there is a substantial risk that drilling may outline a lower tonnage or grade resource, which would negatively impact our valuation and possibly lead to future impairment of assets and impact the ability of the Company to continue as a going concern.

No asset of the Group is expected to generate revenues in the short term.

The Group's existing exploration assets, the Moolyella project and the Kingston-Keith project, are expected to take at least until 2027 and 2028 before they can be turned into producing mines, provided exploration efforts show the envisaged results of proving up a viable resource, obtaining a mining licence and funding to construct an operating mine. Until such stage, even in case of successful exploration such assets will require further investment but will not generate revenues in the short-term.

For the short-term, the Group will be dependent solely on equity and equity-linked funding, such as by means of convertible notes, to finance its administration and exploration and development activities. Any funding need may increase in case of delays with exploration efforts or higher than expected costs. If the Group fails to obtain additional funding at all or at reasonable terms, if required, the Group may be forced to sell assets, potentially also in distress, or even to file for insolvency which would result in assets being impaired and potentially additional liabilities being incurred.

In addition, the Group owns via its Pharlap Holdings subsidiary a royalty (the "Royalty Asset") on the Cape Lambert Iron Ore Project owned by MCC. The Royalty Asset is linked to a retention licence and associated revenues rely on the commencement date of the mining operations, which is currently not yet set. Such date is dependent on many factors that are not in control of the Group, including but not limited to commodity prices, MCC business strategy and credit quality, regulation in Western Australia, global macroeconomic dynamics, etc.

Further, any acquisition by the Group of additional exploration assets or companies holding exploration assets will require the Group to obtain sufficient additional funding from its shareholders by means of share capital increases.

Commodity market related Risk factors

The market reacts sensitively to various factors, which is why a market forecast is only possible to a limited extent. Price and interest rate developments, inflation, political and social changes can be identified as driving factors.

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on net income or loss and economic value due to commodity price movements and volatilities. The Company closely monitors long term commodity prices, particularly as they relate to iron ore, base and precious metals, to determine the appropriate course of action to be taken by the Company.

SunMirror actively monitors its risk of a shortage of funds as SunMirror will need extensive funds to finance its future exploration and evaluation activities as well as potential acquisitions. When expenses are denominated in currencies other than the respective functional currencies SunMirror is subject to foreign currency risks. SunMirror manages this foreign currency risk by matching receipts and payments in the same currency and monitoring movements in exchange rates.

In addition, SunMirror might be facing competition from other companies, some of which have considerably higher funds at their disposal for acquisitions or joint ventures. Furthermore, lower market prices for certain minerals could result in SunMirror Group's outlook being less attractive to potential capital providers. A lack of access to capital could restrict SunMirror's ability to finance development of its business. It could also impact the prospects of SunMirror's royalty asset held at Pharlap.

Regulatory related Risk factors

The parent company SunMirror AG issues bearer shares instead of registered shares, which is still feasible for publicly listed companies in Switzerland. However, with the global tendency towards issuing registered shares bearer shares may restrict the Group's access to capital in the future.

MCC successfully got the extension of its retention licence to March 2025 approved by Western Australia's department of mines, but further extensions could be refused in due course. The prospect of SunMirror's royalty held at its Pharlap subsidiary to produce any revenues in the future could be impacted if MCC fails to obtain further extensions or relinquishes its license.

New environmental regulations might create additional requirements on mining developments and fossil fuel usage that may have an impact on the future Company's results of operations and financial conditions and particularly its exploration costs. Regulations on fossil fuel usage would also likely create opportunities given the Company's focus on battery metals resources.

In Western Australia, registered Native Title claimants and determined Native Title holders have certain rights under the provisions of the Native Title Act 1993 (Cth) (NTA) future act regime, when governments intend to conduct business such as the granting of mineral tenure that are future acts under the NTA.

The State Government has a policy whereby applicants for exploration licences and prospecting licences will have to sign and offer a Regional Standard Heritage Agreement (RSHA) or prove they have an existing Alternative Heritage Agreement or Exploration Agreement in place. This must happen before the applications are submitted to the NTA Expedited Procedure (Kimberley Region excluded).

RSHAs and Exploration Agreements provide Aboriginal heritage protection and offer all parties with standard fees and procedures for heritage clearances that are at an acceptable standard to industry.

Parts of the Moolyella and Kingston Keith exploration licences are covered by heritage claims and the company is in close dialogue with the aboriginal groups concerned. An RSHA has been concluded with the Nyamal Aboriginal Corporation covering the Moolyella licence area, and an Exploration Agreement has been signed with the Tjiwarl Aboriginal Corporation (the relevant Native Title Group in the southern part of the Kingston Keith licence area). Discussions on an Exploration Agreement with the TMPAC Group (the relevant Native Title Group in the northern part of the Kingston Keith licence area) are underway and should be completed before the end of the year. Lithium 1 had the Kingston Keith exploration licence granted to it in 2020 once the National Native Title Tribunal Member determined that the tenement could be granted as the expedited procedure did not apply and held that there were no places or sites of particular significance in the tenement area. Accordingly, the Company does not need to enter into any new agreement with the relevant Native Title Groups, but the Company has agreed to sign an Exploration Agreement voluntarily as an indication of respect for, and acknowledgement of, the TAC, the TMPAC and the associated Native Title Holders..

New laws designed to avoid a repeat of the destruction of an ancient Indigenous site by resources giant Rio Tinto were introduced by the Government of Western Australia when it released the Aboriginal Cultural Heritage Act 2021 (WA), which came into force on the 1st July 2023. The new Act, which was to replace the Aboriginal Heritage Act 1972 (WA) proved hugely controversial and on the 8th August this year, just weeks after being introduced, the WA Premier announced the repeal of the new Aboriginal Cultural Heritage Act 2021 (WA) and a return to the original Aboriginal Heritage Act 1972 (WA). As such it is business as normal for the Groups projects in Australia.

The Austrian Financial Reporting Enforcement Panel (AFREP) has audited our financial reporting and the annual financial statements for 2021 and 2022. The audit started in December 2022 and the results were communicated in October 2023. In this letter dated 9 October 2023, AFREP concluded that our accounting was incorrect. AFREP confirms the classification of the royalty on Cape Lambert as an intangible asset, but concludes in the subsequent measurement that the impairment test should have been performed annually according to the provisions of IAS 36.10 lit. a. In summary, AFREP is of the opinion that the Royalty Asset cannot be classified as an asset in accordance with IFRS 6.

Following thorough consultation with our advisors, the Board of Directors of SunMirror does not share AFREP‘s assessment and has therefore disagreed with the audit findings. A valuation of the Royalty Asset prepared in the meantime by an external expert concludes that, based on the assumptions made, the current value of the Royalty Asset supports the carrying amount. Thus, regardless of the impairment assessment, there is no deviation in the subsequent measurement under either IAS 36 (AFREP perspective) or IFRS 6 (SunMirror perspective). The proceedings have now been forwarded by AFREP to the Austrian Financial Market Authority (FMA), which will form an independent opinion on this matter. The proceedings had started but had not been concluded at the time this management report was prepared.

Irrespective of the FMA‘s decision, the Board of Directors does not expect any impact on the figures published in the consolidated financial statements.

Source: https://www.dmp.wa.gov.au/Minerals/Native-Title-Act-Process-5548.aspx

Legal Risks

The SunMirror Group is exposed to legal risks through its business and financing activities. The Sunmirror Group enters into contracts with suppliers, contractors, and other counterparties that may give rise to disputes and claims. The Group may also have claims against counterparties that it may decide to pursue and that may give rise to significant legal costs before a successful outcome, if any, were to occur. The Group has in-house expertise to handle such risks with the assistance of a number of outside legal advisors in the various jurisdictions where it operates or has business relationships. The Group also carefully monitors its own compliance with legal agreements to minimise the risk of legal disputes in the future.

The Company has been in a dispute with the holders of the former 52'534 mandatory convertible notes ISIN CH1142529093, which were issued in December 2021 and were automatically converted into SunMirror shares on 20 December 2022 at a price of EUR 75 per share. The noteholders have disputed the conversion of their notes. The Company considers that the notes were rightfully converted to shares and fundamentally disagrees with the noteholder's allegations. On this basis and given the current facts, the Company is of the opinion that the claims are unfounded and does not recognize any provision or contingent liabilities in connection with this dispute. At a conciliation hearing in March 2023, no settlement was reached. Following such conciliation hearing the noteholders failed to file a claim in Swiss courts within the applicable deadline. In order to file a claim, the noteholders would have to start the process again and request a new conciliation meeting. There have been no further developments on this matter since March 2023.

The Company has received complaints on behalf of two shareholders, claiming that the directors of the Company act(ed) in violation of their fiduciary duties by not taking legal action against Mirador FZE for failing to pay in the issue price for all shares subscribed by Mirador FZE at the end of 2021, in a planned capital increase of the Company to fund the acquisition of Latitute 66 Cobalt Limited. The board of directors of the Company considered the issue in spring 2022 and, after taking out summary legal advice in the UAE, decided not to take legal action. The current Board of Directors is currently reassessing the issue with the advice of outside counsel. While this review is still ongoing, there are so far no indications that the assessment of the former Board of Directors was inadequate or should be reversed.

Inflation, interest rate and economic growth risks

The significant increase in inflation globally could put pressure on the Group's costs. Fortunately, the Group has limited exposure to inflation as most of its costs are contracted under medium to long term contracts. The Group has limited exposure to materials and energy costs in its exploration activities but wage inflation and the scarcity of human resources in the space could lead to cost increases.

Further, central banks globally are fighting inflation with steep increases in interest rates. This could result in scarcer and/or more expensive access to capital which could in turn result in acquisitions and capex activities being more challenging to complete.

Finally, the increase in interest rate is likely going to dampen global economic growth in the medium term. This could result in reduced demand for the commodities that the Group looks to produce. However, production will occur in a longer timeframe.

Separately recession could impact MCC's plans to develop the Cape Lambert Iron Ore Project, which would postpone the date by which the Royalty Asset could produce revenues.

Accounting, Control and Risk Management Process

Corporate Accounting comprises those activities that are necessary to prepare annual financial statements and consolidated financial statements in compliance with the law and IFRS.

STRUCTURE OF ACCOUNTING

The accounting function in the SunMirror Group comprises the accounting departments at local companies and the Corporate Accounting department in Zurich. The local companies draw up financial statements in accordance with local law based on local accounting software. The financial statements are submitted quarterly to Corporate Accounting in Zurich for final clarification and review. The reconciliation of local financial statements to uniform IFRS accounting and valuation principles are performed by the Corporate Accounting department.

CONSOLIDATION

The IFRS financial statements are drawn up in accordance with IFRS accounting and valuation principals as issued by the International Accounting Standards Board (IASB). Local financial reporting data are checked manually by Corporate Accounting (mainly plausibility checks, intercompany reconciliation and reconciliation of financial statements according to local GAAP into IFRS-compliant accounting and valuation). During this process, Corporate Accounting works closely together with external specialists. Consolidation work is done twice a year (annual group financial statements at June 30 and interim condensed group financial statements at December 31).

The overall consolidation process includes checking the consistency of the data transmitted and plausibilisation of the financial statements as a whole. The consolidation is prepared by using a certified professional consolidation software.

To ensure correct and timely completion of the annual report by the publication date, deadlines are set for both the half-year (interim) and the annual financial statements. The entire accounting function is notified of these in good time. In addition to the annual report at the end of each financial year, a half year interim report is published in accordance with IAS® 34 Interim Financial Reporting.

CONTROLS

The accounting function reports to the Chief Financial Officer (CFO). Regular reports to the Board of Directors contain information on the asset capex programmes, expense outlook, potential legal challenges, and opportunities and risks. This ensures ongoing oversight of the internal control system. Existing and potential risks are constantly monitored. This is based on uniform risk guidelines. The management is responsible for implementing these guidelines and ensuring they are observed.

In the SunMirror Group, the annual audit schedule is determined by the Board of Directors based on a proposal by the Corporate Accounting department. Focal areas are examining the effectiveness of the internal control system, compliance with the applicable Reporting Standards and other compliance requirements. The results of audits are presented on a case-by-case basis as they arise to the Board of Directors.

Disclosures in accordance with Section 243a para 1 UGB

SHARE CAPITAL

The share capital of SunMirror AG was CHF 2’395’755.00 as at 30 June 2024 and was divided into 2’395’755 bearer shares with a par value of CHF 1.00 per share each, which are fully-paid in. All shares are equal in terms of their dividend and voting rights.

CAPITAL RANGE

Since 20 December 2023, the company‘s capital band has been between CHF 2,395,755.00 (lower limit) and CHF 3,593,632.00 (upper limit).

According to Article 3d of the Articles of Association: “The Company has a capital range ranging from CHF 2,395,755.00 (lower limit) to CHF 3,593,632.00 (upper limit). The Board of Directors shall be authorized within the capital range to increase the share capital once or several times and in any amounts or to acquire shares directly or indirectly, until 19th December 2028 or until an earlier expiry of the capital range. The capital increase can be carried out by issuing up to 1,197,877 fully paid-in bearer shares with a nominal value of CHF 1.00 each or by increasing the nominal value of the existing shares within the limits of the capital range.

In the event of a capital increase within the capital range, the Board of Directors shall, to the extent necessary, determine the issue price, the type of contribution (including cash contributions, contributions in kind, set-off and conversion of reserves or of profit carried forward into share capital), the date of issue, the conditions for the exercise of subscription rights and the beginning date for dividend entitlement. In this regard, the Board of Directors may issue new shares by means of a firm underwriting through a financial institution, a syndicate of financial institutions or another third party and a subsequent offer of these shares to the existing shareholders or third parties (if the subscription rights of the existing shareholders have been withdrawn or have not been duly exercised).

The Board of Directors is entitled to permit, to restrict or to exclude the trade with subscription rights. It may permit the expiration of subscription rights that have not been duly exercised, or it may place such rights or shares as to which subscription rights have been granted, but not duly exercised, at market conditions or may use them otherwise in the interest of the Company.

In the event of a share issue the Board of Directors is authorized to withdraw or restrict subscription rights of existing shareholders and allocate such rights to third parties, the Company or any of its group companies: (i) if the issue price of the new shares is determined by reference to the market price; or (ii) for raising equity capital in a fast and flexible manner, which would not be possible, or would only be possible with great difficulty or at significantly less favorable conditions, without the exclusion of the subscription rights of existing shareholders; or (iii) for the acquisition of companies, part(s) of companies or participations, for the acquisition of products, intellectual property or licenses by or for investment projects of the Company or any of its group companies, or for the financing or refinancing of any of such transactions through a placement of shares; or (iv) for purposes of broadening the shareholder constituency of the Company in certain financial or investor markets, for purposes of the participation of strategic partners including financial investors, or in connection with the listing of new shares on domestic or foreign stock exchanges.

After a change of the par value, new shares shall be issued within the capital range with the same par value as the existing shares.”

CONDITIONAL CAPITAL

Since 20 December 2023, the company's conditional capital has amounted to CHF 1,197,877.00.

According to Article 3b of the Articles of Association: "The share capital shall be increased, excluding shareholders' subscription rights, by a maximum amount of CHF 1,197,877.00 by issuing a maximum of 1,197,877 bearer shares with a nominal value of CHF 1.00 each, to be fully paid up, through the exercise of conversion and option rights granted to creditors of new bonds or similar debt instruments issued by the Company under one or more participation plans to be established by the Board of Directors. The Board of Directors shall determine the details of the terms of issuance.

Conversion and option rights pursuant to the preceding paragraph must be exercised in writing or in electronic form allowing proof by text. This also applies to the waiver of the exercise of these rights. "

OTHER INFORMATION

As of 30 June 2024, SunMirror AG has a direct stake of 100.0% in SunMirror Luxembourg S.A. and is thus the indirect sole shareholder of Lithium 1 Pty Ltd (Lithium 1). As announced in the Company's ad hoc news dated 1st August 2022, the Company temporarily lost control over Lithium 1. The control was regained on 2nd August 2022, and re-established the 100% ownership of Lithium 1 Pty Ltd by SunMirror Luxembourg S.A.

According to Article 16 of the Articles of Association: "The Board of Directors is composed of one or several members, who are elected by the General Meeting of Shareholders for a term of one year and who may be re-elected. The term of office ends on the day when the ordinary Meeting of Shareholders is held. In case of by-elections, the new members of the Board of Directors shall complete their predecessors' term of office."

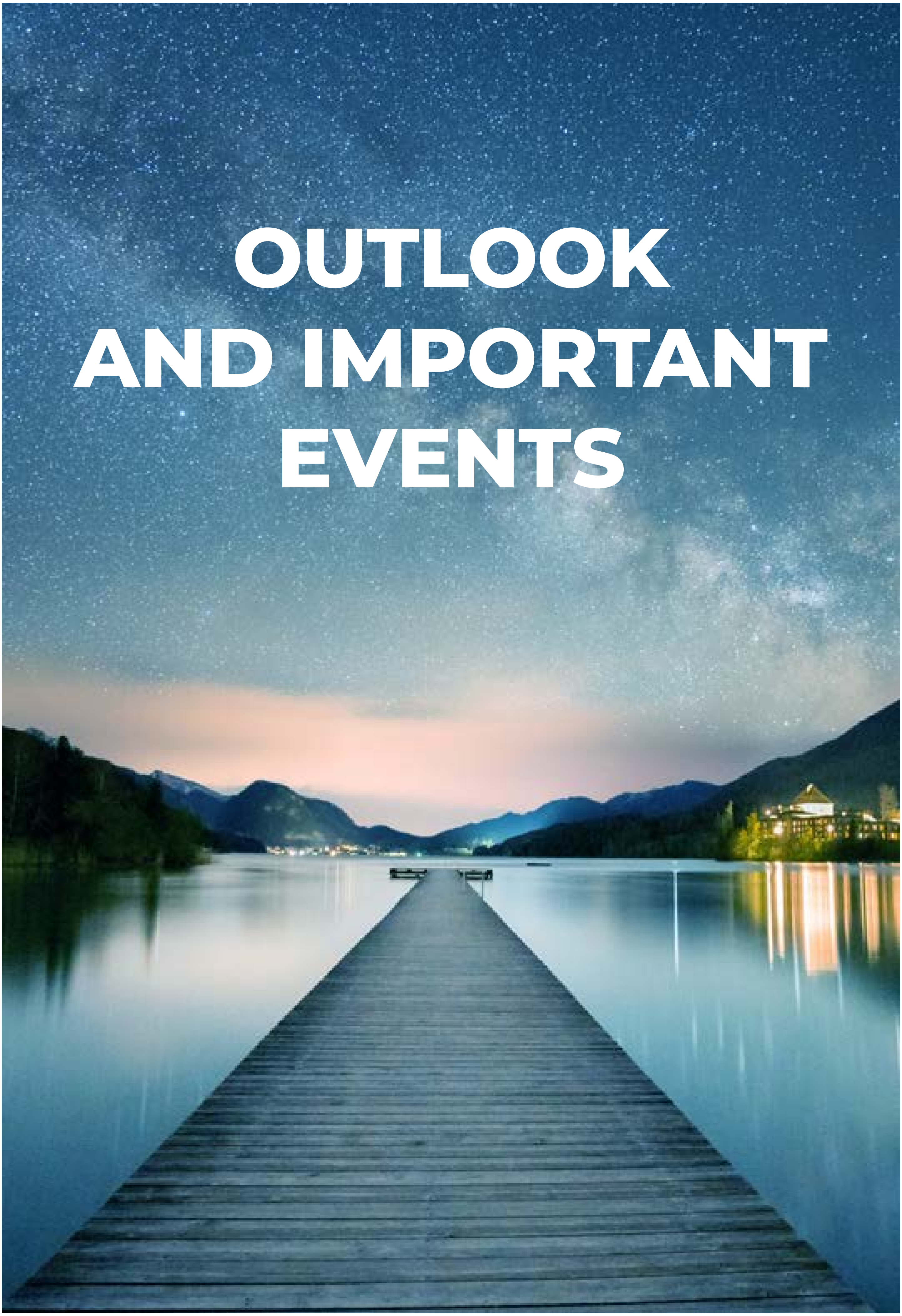
There are no financing agreements nor customer contracts containing any customary agreements on a change of control in the event of a takeover within the meaning of Section 243a (1) No. 8 UGB.

There are no compensation agreements within the meaning of Section 243a (1) No. 9 UGB.

In May 2023, the Board of Directors of SunMirror AG introduced a stock option plan. Until 30 June 2024, a total of 17,968 stock options with an average exercise price of EUR 7.00 per share have been granted, all of which have legally vested as of the reporting date and 7'162 were recognised as share-based payments in personnel expenses in the current reporting period.

In May 2024, Daniel Monks resigned from the Board of Directors of SunMirror AG with immediate effect. Since then, Laurent Quelin has been the only member of the Board of Directors of SunMirror AG. By-elections to the Board of Directors are expected to take place at the Annual General Meeting in December 2024.

OUTLOOK AND IMPORTANT EVENTS



OUTLOOK AND IMPORTANT EVENTS

Outlook for the coming business year

The Board of SunMirror AG views 2025 as a pivotal year for the Group. Following the recent approval of the Programme of Work by DEMIRS, the Moolyella project is now shovel-ready, positioning the Group to move forward with development in due course. Additionally, we plan to advance the exploration of gold and lithium at our Kingston Keith project. Our aim is to bring this project to a stage where the Group is well-positioned to secure additional capital or form strategic partnerships to support the next phase of its development. This approach is in line with standard practices in the mineral exploration sector.

The current pricing environment for battery metals remains challenging, largely due to softer-than-expected growth in electric vehicle (EV) penetration across key markets. Despite these short-term headwinds, we remain confident in the long-term demand for these critical minerals, which are essential for the electrification of the global economy. This is driven by two key factors: the global push to combat climate change and the increasing energy demands from emerging technologies such as generative artificial intelligence. On the other hand, gold prices have experienced a significant uplift throughout 2024, bolstered by geopolitical tensions and economic uncertainties that have encouraged flight to safety. The Group's strategic diversification across battery metals and precious metals places us in a strong position as we explore avenues to raise capital and finance future growth.

To fund this growth, the Board is actively exploring opportunities to access capital markets in jurisdictions with deep mining expertise and knowledge of our assets, particularly in Australia. This may include pursuing a dual listing, potentially in Australia or the UK, which would offer several advantages. A dual listing could enhance share liquidity and attract a broader base of knowledgeable investors, increasing the Group‘s visibility and credibility in key mining hubs. We are committed to keeping our stakeholders informed as we make progress on this front.

At the same time, the Group continues to evaluate potential opportunities to monetize its Royalty Asset. The decrease in iron ore prices seen in the first half of 2024 has made it challenging but we believe the strategic location of the Cape Lambert tenement will create opportunities for a divestment that would unlock significant value from this asset.

Lastly, the Company remains focused on identifying new growth opportunities and is actively conducting due diligence on several projects in Europe, particularly in Central Europe and Scandinavia. These projects could provide valuable diversification to our asset portfolio, offering protection against the inherent cyclicality of metal prices and strengthening the Group's position in the broader market.

In summary, SunMirror AG is well-positioned to navigate both the challenges and opportunities of the current market environment. We are confident that our strategic initiatives will create sustainable long-term value for our shareholders and drive future growth.

Important events since the end of the last business year

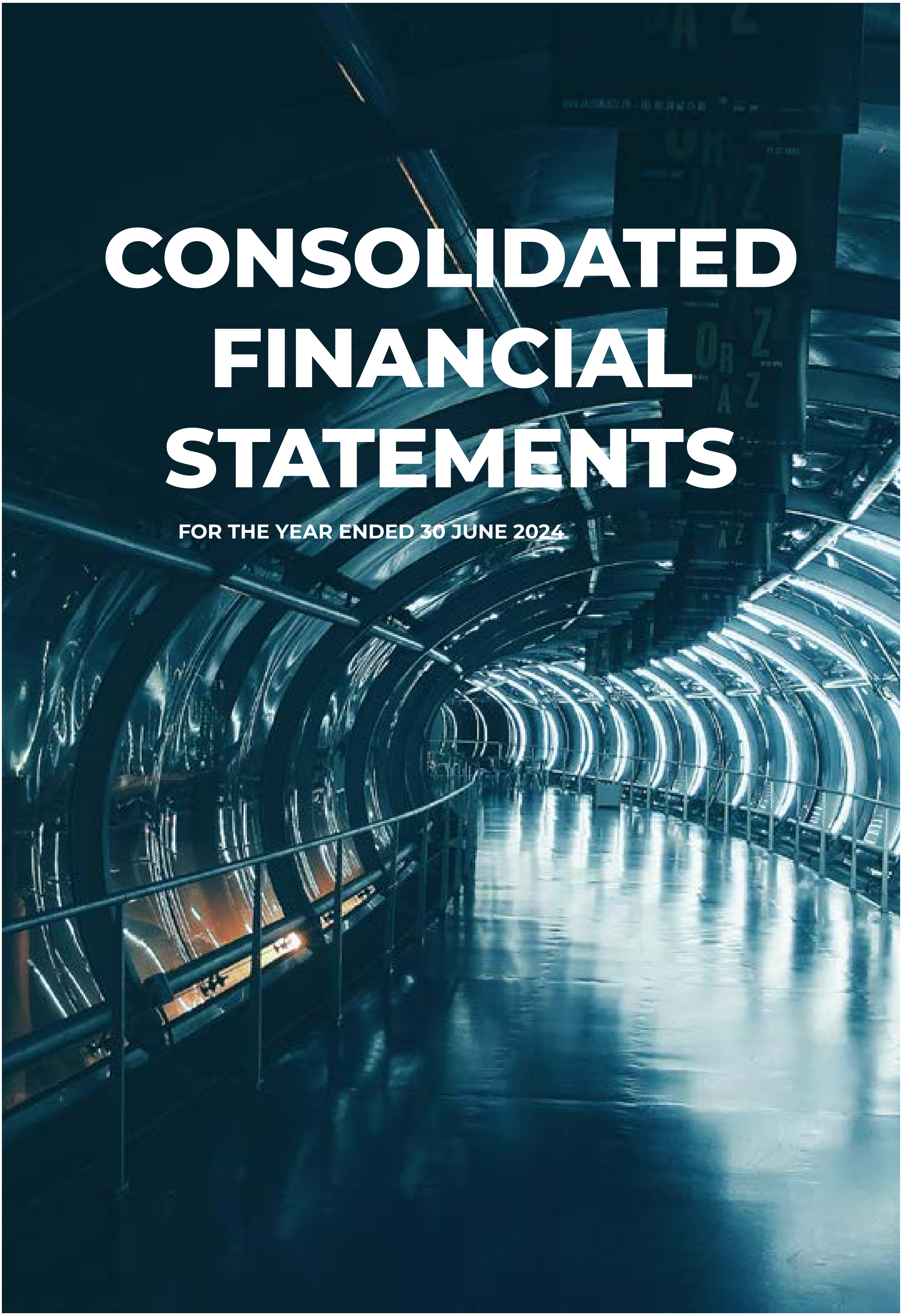
No important events occurred after the balance sheet date up to the date of submission of the report.

Zug, 18 October 2024

Laurent Quelin e.h.
Member of the Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024



CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of profit and loss

For the year eneded June 30:

In USD thousand (except per share amounts in USD)	Notes	2024	2023
Other income	4.2	169	345
Personnel expenses	4.4	-806	-949
General and administrative expenses	4.5	-572	-2,039
Earnings before interest and taxes (EBIT)		**-1,209**	**-2,643**
Financial income		183	136
Financial expenses		-205	-728
Financial result	**4.6**	**-22**	**-592**
Loss before income taxes		**-1,231**	**-3,235**
Income taxes	4.7	-	-
Loss for the year		**-1,231**	**-3,235**
Basic and diluted loss per share	4.8	-0.51	-1.36

The loss for the year is fully attributable to the shareholders of SunMirror AG. There are no noncontrolling interests.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

For the year eneded June 30:

In USD thousand	Notes	2024	2023
Loss for the year		**-1,231**	**-3,235**
Other comprehensive income			
Items that may be reclassified into profit or loss:			
Exchange differences on translation of foreign operations		101	-627
Items that will not be reclassified subsequently to profit or loss:			
Gains and losses from the remeasurement of the net defined benefit liability	4.19	-	44
Total comprehensive loss for the year		**-1,130**	**-3,818**

The comprehensive loss for the year is fully attributable to the shareholders of SunMirror AG.
There are no noncontrolling interests.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of financial position

In USD thousand	Notes	30 June 2024	30 June 2023
ASSETS			
Non-current assets			
Intangible assets	4.10	25,488	25,435
Exploration and evaluation assets	4.11	4,250	3,863
Total non-current assets		**29,738**	**29,298**
Current assets			
Financial assets	4.12	334	333
Other short-term receivables	4.13	192	169
Cash and cash equivalents	4.14	2,103	3,992
Total current assets		**2,629**	**4,494**
Total assets		**32,367**	**33,792**
EQUITY AND LIABILITIES			
Equity			
Share capital		2,585	2,585
Capital reserves		58,092	58,092
Accumulated losses		-27,752	-26,521
Other reserves		-892	-993
Total shareholders' equity	**4.15**	**32,033**	**33,163**
Non-current liabilities			
Provision stock option plan	4.19	8	8
Total non-current liabilities		**8**	**8**
Current liabilities			
Trade payables	4.17	36	89
Other payables	4.17	287	519
Other non-financial liabilities	4.18	3	13
Total current liabilities		**326**	**621**
Total liabilities		**334**	**629**
Total equity and liabilities		**32,367**	**33,792**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

		Equity attributable to shareholders of SunMirror AG				
In USD thousand	**Notes**	**Share capital**	**Capital reserves**	**Accumulated losses**	**Other reserves**	**Total shareholders' equity**
Balance as at 01 July 2022		2,529	54,018	-23,286	-410	32,851
Loss for the year				-3,235		-3,235
Other comprehensive income					-583	-583
Total comprehensive loss for the year				**-3,235**	**-583**	**-3,818**
Conversion of compulsory convertible notes		56	4,074			4,130
Balance as at 30 June 2023		**2,585**	**58,092**	**-26,521**	**-993**	**33,163**

		Equity attributable to shareholders of SunMirror AG				
In USD thousand	**Notes**	**Share capital**	**Capital reserves**	**Accumulated losses**	**Other reserves**	**Total shareholders' equity**
Balance as at 01 July 2023		2,585	58,092	-26,521	-993	33,163
Loss for the year				-1,231		-1,231
Other comprehensive income					101	101
Total comprehensive loss for the year		**-**	**-**	**-1,231**	**101**	**-1,130**
Balance as at 30 June 2024		**2,585**	**58,092**	**-27,752**	**-892**	**32,033**

Shareholders' equity is fully attributable to the shareholders of SunMirror AG. There are no minority interests. Other reserves refer exclusively to cumulative currency translation differences from the translation of foreign operations and gains/ losses from the remeasurement of the net defined benefit liability.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year eneded June 30:

In USD thousand	Notes	2024	2023
Cash flows from operating activities			
Loss for the year		**-1,231**	**-3,235**
Adjustments to reconcile loss before income taxes to net cash flows:			
Other non-cash income/ expense		-	-370
Financial result	4.6	22	592
Working capital changes:			
Increase in other receivables		-21	-39
Decrease in trade and other payables		-340	-905
Interest paid		-	-299
Interest received		62	8
Net cash flow from operating activities		**-1,508**	**-4,248**
Cash flows from investing activities			
Payments for exploration and evaluation	4.11	-389	-199
Proceeds from financial assets at fair value through profit or loss	4.12	-	111
Net cash flow from investing activities		**-389**	**-88**
Cash flows from financing activities			
Payment for convertible bonds	4.16	-	-2,599
Repayment of shareholder loans		-	-1
Net cash flow from financing activities		**-**	**-2,600**
Net foreign exchange differences		8	317
Net change in cash and cash equivalents		**-1,889**	**-6,619**
Cash and cash equivalents at beginning of year		3,992	10,611
Cash and cash equivalents at end of year	4.14	2,103	3,992

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. CORPORATE INFORMATION

1.1 General information

The consolidated financial statements of SunMirror AG and its subsidiaries (collectively, SunMirror Group or the Group) for the year ended 30 June 2024 were authorized for issue in accordance with a resolution of the directors on 18 October 2024.

SunMirror AG (the Company or the parent) is incorporated and domiciled in Switzerland. The shares are listed under ISIN CH0396131929 on the Regulated Market (Amtlicher Handel) of the Vienna Stock Exchange, Austria. The address of its registered office and principal place of business is General-Guisan-Strasse 6, Zug, Switzerland.

SunMirror Group prepares and publishes its financial statements in US Dollar (USD), which is the SunMirror Group's presentation currency. Unless otherwise stated, the numbers are rounded to whole USD thousand.

1.2 The Group's operating activities

In 2020 the Group started its operating activities in the raw material sector and is in the early stage of exploration and development activities. The current business activities of SunMirror Group consist of (besides holding rights for potential royalties) managing exploration assets (i.e., the search for and development of economically viable reserves of mineral resources). In case of successful exploration, the SunMirror Group also plans to be active in the field of the development, mining, and extraction of mineral resources.

The Group invests into pre-production mineral exploration assets with a focus on battery metals, iron ore and gold deposits in developed markets which meet certain minimum requirements in their legislation with regards to labour law and environmental protection (for example Australia, Europe, and North America), for the purpose of evaluation and exploration with the aim to either produce minerals at a later stage or sell those assets. The Group currently holds two exploration licenses and a mining royalty:

- **Moolyella:** Lithium 1 Pty Ltd ("Lithium 1"), a fully owned subsidiary of the Company, holding an exploration license in Moolyella, located in Northwestern Australia. Management believes that the site has potential for lithium-bearing pegmatites.

- **Kingston-Keith:** Lithium 1 holds an exploration license in the Kingston-Keith/Mt. Keith area, situated in a prolific gold and nickel production district in central Western Australia, which Management believes has potential for gold, lithium and nickel.

- **Cape Lambert:** Pharlap Holdings Pte ("Pharlap"), an indirect wholly owned subsidiary of the Company, holds a royalty on future mine production from the MCC Australia Sanjin Mining Pty Ltd's retention license on their Cape Lambert magnetite project in the Cape Lambert region in Western Australia.

All assets of Lithium 1 are in an exploration phase and do not produce any revenue for the time being. The Group plans to continue exploration for the next few years based on its two exploration licenses. The Group expects that production at the Cape Lambert mine will not start in the short term and thus the Group will only start to receive royalties at a later stage, subject to the decision to begin development of an operating mine by MCC Australia Sanjin Mining Pty Ltd. The commencement of the mining operations is currently not yet set.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the SunMirror Group have been prepared on a going concern basis in accordance with the International Financial Reporting Standards (IFRS®) accounting standards as issued by the International Accounting Standards Board (IASB).

2.2 Basis of consolidation

The following entities form the consolidation scope of these consolidated financial statements as of 30 June 2024:

Name	Country of incorporation	Currency	Equity portion	Share capital
SunMirror AG	Switzerland	CHF	Holding	2'395'755
SunMirror Luxembourg S.A.	Luxembourg	EUR	100%	1'111'000
Lithium 1 Pty Ltd	Australia	AUD	100%	10
Pharlap Holdings PTE. Ltd	Singapore	SGD	100%	4'172'242

There was no change in the group of consolidated companies from prior year. The functional currency for all entities listed above is the local currency, with the exception of Pharlap Holdings Pte Ltd, who's functional currency is AUD.

2.3 Summary of significant accounting policies

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

2.3.1 Consolidation principles and business combinations

SunMirror AG consolidates all entities over which it exercises control (subsidiaries). Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

SunMirror reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when SunMirror loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date SunMirror gains control until the date when SunMirror ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

The Group determines whether a transaction represents a business combination by assessing whether the acquired assets and assumed liabilities constitute a business i.e., they must include inputs and substantive processes that have the ability to contribute to the creation of outputs. If the transaction does not represent a business combination, then the acquirer recognizes individual identifiable assets acquired and liabilities assumed. The acquisition cost is allocated to the individual identifiable assets and liabilities based on their relative fair values and no goodwill is recognized.

Acquisitions of businesses are accounted for using the acquisition method.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

2.3.2 Exploration and evaluation

Pre-license costs relate to costs incurred before the Group has obtained legal rights to explore in a specific area. Such costs may include the acquisition of exploration data and the associated costs of analyzing that data. These costs are expensed in the period in which they are incurred.

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Exploration and evaluation activity includes:

- Researching and analysing historical exploration data
- Gathering exploration data through geophysical studies
- Exploratory drilling and sampling
- Determining and examining the volume and grade of the resource
- Surveying transportation and infrastructure requirements
- Conducting market and finance studies

Exploration and evaluation expenditures in relation to each separate area of interest are recognized as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- The rights to tenure of the area of interest are current; and
- At least one of the following conditions is met::
  - The exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
  - Exploration and evaluation activities in the area of interest have not at the balance sheet date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching, and sampling and associated activities and an allocation of depreciation and amortization of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

An acquired group of assets including exploration and evaluation assets that do not constitute a business are accounted for by the Group by identifying and recognizing the individual identifiable assets and liabilities assumed. The cost incurred is allocated to the individual identifiable asset and liabilities based on their relative fair values at the date of purchase.

Exploration and evaluation assets are assessed for impairment in accordance with the requirements of IFRS 6 i.e., when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development and then amortized over the life of the reserves associated with the area of interest once mining operations have commenced. Any changes in the factors such as estimates of proved and probable reserve (change in the life of the reserves) that affect unit of production calculation are dealt with on a prospective basis.

In determining the costs of site restoration there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

The Group's exploration and evaluation assets are classified as intangible assets in line with IFRS 6.

2.3.3 Intangible assets

Intangible assets include primarily the Royalty Agreement acquired as part of the acquisition of Pharlap Holdings. Given that the Royalty Agreement was the only asset acquired, the value of the intangible was determined by reference to the purchase consideration. The substance of the Royalty on Cape Lambert is to be considered economically similar to holding a direct interest in the underlying mineral asset (Retention License), currently held by a third party (MCC) and therefore an asset based on IFRS 6 Exploration for and Evaluation of Mineral Resources. Existence risk (the commodity physically existing in the quantity demonstrated), production risk (that the operator can achieve production and operate a commercially viable project), timing risk (commencement and quantity produced, determined by the operator) and price risk (economic feasibility depends on the future commodity price, driven by future supply and demand) are all risks which SunMirror participates in on a similar basis to an owner of the underlying mineral license. On the other hand, SunMirror has no control on the start of production, but does not have to participate in future capital and operating expenditure either. Due to the different contractual nature of the Royalty, it is classified separately from the assets in Note 2.3.2 and as an intangible asset according to IFRS 6.15.

The Royalty Agreement will become effective for a defined period only once development activities will begin. Until then, the intangible asset is assessed for impairment indicators at each reporting date (Note 2.3.5). As of 30 June 2024, there were no indicators of impairment. Once the Royalty Agreement becomes available for use, its useful life will be reassessed.

Furthermore, intangible assets contain domains, which are measured at cost. The domains have indefinite useful life and are thus not amortized but instead tested for impairment at least annually, or as soon as there is an indication that the asset may be impaired.

Useful lives of intangible assets are re-assessed at each reporting date.

2.3.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For some assets and liabilities, observable market transactions or market information is available. For other assets and liabilities, observable market transactions or market information might not be available. When a price for an identical asset or liability is not observable, another valuation technique is used. To increase consistency and comparability in fair value measurements, there are three levels of the fair value hierarchy. Level 1 contains the use of quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly. Level 3 inputs are unobservable. Within this hierarchy level estimated values were made, based on reasonable assumptions including other fair value methods by management.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

2.3.5 Impairment testing

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. In assessing impairment indicators of exploration and evaluation assets and royalty and similar agreements for these assets, the Group refers to guidance provided under IFRS 6 Exploration for and Evaluation of Mineral Resources. An asset's recoverable amount is the higher of an assets or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing an impairment test for Exploration for and Evaluation of Mineral Resources, the Group considers market related risk factors such as general price and market environment, social perception, and marketability of resources, sanctions and geopolitical developments, currency movements and financing options. In addition, the impairment test analyses asset related risk factors such as remaining lifetime of exploration rights, legal risk, additional expenditure risks, changes in legal frameworks succeed or failure of adjacent projects and insufficient commercially recoverable amounts.

At each reporting date the Group assess whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the assets or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

No reversal was recognized in the statement of profit or loss during the period ended 30 June 2024.

2.3.6 Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2.3.7 Foreign Currencies

The Group's financial statements are presented in USD, which is different to the functional currency of the parent company (CHF). The Group intends to expand its activities within the mineral sector, whose main currency is the USD.

For each subsidiary, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

The determination of functional currency may involve certain judgements to identify the primary economic environment, and the parent entity reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

The functional currency the parent entity and each of its subsidiaries, is the currency of the primary economic environment in which the entity operates. For all entities the functional currency is their respective local currency, except for Pharlap Holdings, Singapore, whose functional currency is the Australian Dollar (AUD). This is reflective of the activities of the entity, and in particular the location of the assets held by the entity, and related anticipated royalty income stream also being in AUD.

The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to the statement of profit or loss reflects the amount that arises from using this method.

Following exchange rates were used for translation into Group`s reporting currency (USD):

Foreign exchange rates USD equals:	Spot rate as of 30 June 2023	Average exchange rate Jan-Jun 2023	Average exchange rate Jul-Dez 2022
CHF	0.89	0.91	0.97
EUR	0.92	0.93	0.99
AUD	1.50	1.48	1.49

Foreign exchange rates USD equals:	Spot rate as of 30 June 2024	Average exchange rate Jan-Jun 2024	Average exchange rate Jul-Dez 2023
CHF	0.90	0.89	0.88
EUR	0.93	0.93	0.92
AUD	1.50	1.52	1.53

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. In determining the spot exchange rate to use on initial recognition of the related asset, expense, or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Foreign exchange gains or losses are included in financial income or financial expenses.

Presentation Currency

Selecting a presentation currency that is different from the functional currency requires a translation from the functional currency into the presentation currency. The results and financial position are translated using the following procedures:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date.
- Income and expenses for each statement presenting profit or loss and other comprehensive income are translated at exchange rates at the transaction dates. The Group uses six months average rates as approximates to the exchange rates at the transaction date.
- All resulting exchange differences are recognized in other comprehensive income, and they are accumulated as a separate reserve, as a component of equity (other reserves).

2.3.8 Financial instruments

Financial Assets

Financial instruments are initially measured at fair value (this includes transaction costs except in the initial measurement of financial assets and liabilities that will be measured at fair value through profit or loss). Financial assets are classified at initial recognition, as either subsequently measured at amortized cost, fair value through other comprehensive income (OCI), or fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. For a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

A financial asset is primarily derecognized when either the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to a third party.

Impairment of Financial Assets

An allowance for expected credit losses (ECLs) has to be recognized for all financial debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. Group's financial assets measured at amortized cost contain a loan to a shareholder. The Group reassesses the credit risk and ECLs on these positions at each reporting date.

For trade receivables and other short-term receivables, the Group applies a simplified approach in calculating ECLs. Under this approach, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. As of 30 June 2024, the Group has no trade receivables.

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. For purposes of subsequent measurement, financial liabilities are classified in two categories – at amortized cost or at fair value through profit or loss if held for trading or so designated at initial recognition to reduce a measurement or recognition inconsistency.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Compound Financial Instruments

Financial instruments which, in addition to a liability component (a contractual arrangement to deliver cash or another financial asset), contain an equity component (i.e., grant an option to the holder of the instrument to convert it into an equity instrument of the entity), are regarded as compound financial instruments. If this is the case, the two components must be separated and classified respectively as financial liabilities and equity.

On initial recognition, the fair value of the liability component is the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at that time by the market to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the conversion option. For the subsequent measurement, the effective interest rate method is applied whereby the transaction costs are therefore to be distributed over the term with an effect on income.

The initial carrying amount of the equity component is determined as the residual amount after deducting from the fair value of the entire instrument, the amount separately determined for the liability component. The equity component is subsequently not remeasured until maturity. Furthermore, if conversion option(s) are not exercised, the amount recorded in equity is not reclassified (or 'recycled'), although it can be transferred from one equity reserve to another. If, at maturity, the lenders elect to receive shares, the Company derecognises the liabilities in full and recognises an increase in equity of the same amount. No gain or loss is recorded on conversion. Conversely, if the lenders elect to receive cash, the Company derecognises the liability and recognises a corresponding decrease in cash.

Hybrid instruments, which contain both an equity host and an embedded derivative that is required to be separated from a host contract are measured at fair value on the balance sheet. The host contracts carrying value at initial recognition is the difference between the fair value of the entire instrument as a whole and the embedded derivatives fair value. An embedded derivative that is required to be separated from a host contract is measured at fair value on the balance sheet, with changes in fair value being accounted for through profit or loss.

2.3.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.3.10 Equity

Share capital represents the nominal value of the shares that have been issued. As of 30 June 2024, the Company has 2,395,755 ordinary bearer shares in issue, each with a nominal value of CHF 1.00.

Capital reserves arise through transactions of a capital nature (i.e., capital increase) by means of a cash contribution and a contribution in kind net of related transaction costs. The capital reserves also arise through equity components of convertible notes at the date of recognition (i.e., value of the conversion rights), and through the conversion of the convertible notes into shares at the date of conversion.

2.3.11 Provisions for pensions and other employee benefits

Pension Plans

The liability or asset recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. However, SunMirror does not currently have any defined benefit pension plans.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Actuarial valuations for the obligations are drawn up annually on the balance sheet date. An actuarial valuation is made based on various assumptions. These include the calculation of the discount rates for unaccrued interest, future wage and salary increases, the mortality rate and future pension increases.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in other reserves in the statement of changes in equity and in the balance sheet.

For defined contribution plans in UK, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual, or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

Stock Option Plan for Management

The Board of Directors of SunMirror AG introduced a stock option plan. Certain members of the management and selected key employees are eligible to participate in the plan (participants). The fair value of such options is measured at grant date of the option, and the number expected to vest estimated based on non-market performance conditions (refer to Note 5.2). The number of options expected are revised at the end of each reporting period and, if required, an adjustment recognized in profit or loss and provisions.

Where options are forfeited due to a failure by the participant to satisfy the performance condition, any expense previously recognized is reversed.

2.4 Changes in relevant accounting standards

2.4.1 Initial application of standards in the financial year

In the financial year 2024 no new accounting standards or interpretations became effective, which would have significant impact on the Group. However, the following amendments to IFRS were considered in the preparation of the consolidated financial statements. Changes to standards that do not apply have not been listed, as they have no impact on the Group.

- Classification of Liabilities as Long-term: Amendment to IAS 1. This amendment clarifies the criteria for classifying liabilities as long-term, providing more specific guidance on the conditions that must be met. The Group has already implemented this change in the last financial year, so it has no impact in 2024.

2.4.2 Standards issued but not yet effective

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

- Disclosure of Accounting Policies - Amendments to IAS 1: These amendments provide clarifications on how to present and disclose accounting policies in financial statements, enhancing transparency. Applicable for annual periods beginning on or after 1 January 2025.
- Statement of Cash Flows - Amendments to IAS 7: The amendments expand disclosure requirements and aim to improve the transparency of cash flow statements. Applicable for annual periods beginning on or after 1 January 2025.
- Foreign Currency Translation - Amendments to IAS 21. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. Applicable for annual periods beginning on or after 1 January 2025.
- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7: These amendments concern the criteria for the timing of recognition and derecognition of some financial assets and liabilities, and new disclosures for certain instruments with contractual terms aimed at achieving ESG targets. Applicable for annual periods beginning on or after 1 January 2026.
- Presentation and Disclosure in Financial Statements - IFRS 18: This new standard relates to the structure of the profit or loss statement, required disclosures, and enhanced principles of aggregation and disaggregation that apply to primary financial statements and notes in general. Applicable for annual periods beginning on or after 1 January 2027.

2.5 Critical accounting judgements and assumptions

The preparation of the Group's financial statements requires management to make judgements, assumptions and estimates that affect the reported amounts of expenses, assets and liabilities and the accompanying disclosures. Key sources of estimation uncertainty could result in outcomes that require a material adjustment to the carrying amount of affected assets or liabilities in future periods. The assumptions about future periods may, however, change due to circumstances arising beyond the control of the management. In such cases the changes in the assumptions will be reflected when they occur.

In preparation of the consolidated financial statements, management made the following critical judgements and estimates, that require disclosure under IAS 1:

- The intangible asset relating to the Royalty agreement for he Cape Lambert magnetite project (Royalty, Note 4.10) is an intangible asset based on IFRS 6 Exploration for and Evaluation of Mineral Resources that is not subject to scheduled amortization due to its indefinite useful life. The subsequent measurement of this asset is therefore performed in line with the provisions of IFRS 6. This means that the asset is continuously monitored to determine whether there are risk factors that trigger an impairment test (see Note 2.3.5). The Royalty on Cape Lambert is an individual asset created on a contractual basis (Royalty Deed) and there are no observable market prices for such an asset. The following parameters were used to determine the value in use:
  - An external Pre-Feasibility Study (PFS) on the project of Cape Lambert in 2008 and an updated feasibility study in 2012 indicated that the Banded Iron Formation (BIF) ore at Cape Lambert can be mined at a rate of an average of 43.8 million tonnes BIF ore per year over a 30-year life.
  - The Royalty (Royalty Deed dated 2005) on the Cape Lambert Magnetite project is AUD 0.50/ tonne of all minerals mined including magnetite BIF ore.
  - The discounted value of the Royalty over a projected 30-year life has been calculated using a variety of industry and asset specific discount rates and production start-up dates (see next bullet point). On the basis of assuming an initial production date in 10.1 years' time from 30 June 2024, using

a project specific Price to NAV ratio (“PNAV”) of 0.5x and an industry specific weighted average cost of capital (“WACC”) of 8.67%, the Royalty is valued at AUD 55.3 million as of 30 June 2024 compared to the current carrying amount of AUD 38.2 million (Note 4.10).

- Factors used for the DCF valuation: i) Cash flows are discounted assuming a standard weighted average cost of capital (WACC) for the mining industry in Australia ranging from 7.17% to 10.17% with a central case of 8.67%. ii) An asset specific PNAV of 0.5x is then applied on the NPV considering that the WAAC already reflects the average riskiness of mining industry cash flows. PNAV for royalty NPVs ranges from 0.5 – 1.0x for non-producing royalties, depending on how close a mine is to production. iii) A range of initial start-up production dates were modelled starting at 4 years to 19 years with a central case at 10.1 years from the date of valuation (i.e. 30 June 2024). To support this assumption, the available infrastructure and the status of operating mines and iron ore reserves in Western Australia have been analysed. Furthermore, Australia’s Estimated Ore Reserves based on 44 operating mines in Australia (dated December 2021) reported an average of 12 years of reserve life as of 31 December 2021 (i.e. around 9.5 years from the value reference date of 30 June 2024), which fits in with the mid-point start date assumed (10.1 years).
- The central case of WACC is based on calculations as of 30th June 2024 using publicly available data from recognised valuation expert Professor Aswath Damodaran of the New York University‘s Stern School of Business.
- The PNAV assumption is derived from observed market data for publicly listed mining royalty companies sourced from a reputable Canadian brokerage company specialised in the natural resources sector, Cantor Fitzgerald.
- If the production start date is decreased from 10.1 years to 4 years’ time from 30 June 2024, the Royalty value would increase to a range of AUD 76.9mm to AUD 110.3mm based on a range of WACC of 7.17% to 10.17%.
- If the production start date is increased from 10.1 years to 14 years’ time from 30 June 2024, the Royalty value would decrease to a range of AUD 29.2mm to AUD 55.2mm based on a range of WACC of 7.17% to 10.17%.
- If the production start date is increased from 10.1 years to 19 years’ time from 30 June 2024, the Royalty value would decrease to a range of AUD 18.0mm to AUD 39.0mm based on a range of WACC of 7.17% to 10.17%.

3. SIGNIFICANT TRANSACTIONS AND EVENTS

3.1 Impairment testing Royalty on Cape Lambert

The Austrian Financial Reporting Enforcement Panel (AFREP) has audited our financial reporting and the annual financial statements for 2021 and 2022. The audit started in December 2022 and the results were communicated in October 2023. In its letter dated 9 October 2023, AFREP concluded that our accounting of the Royalty on Cape Lambert was incorrect. AFREP confirms the classification of the Royalty on Cape Lambert as an intangible asset, but concludes in the subsequent measurement that the impairment test should have been performed annually according to the provisions of IAS 36.10 lit. a. In summary, AFREP is of the opinion that the Royalty on Cape Lambert cannot be classified as an asset in accordance with IFRS 6.

Following thorough consultation with our advisors, the Board of Directors of SunMirror does not share AFREP's assessment and has therefore disagreed with the audit findings. A valuation of the Royalty Asset prepared in the meantime by an external expert concludes that, based on the assumptions made, the current value of the Royalty Asset supports the carrying amount. Thus, regardless of the impairment assessment, there is no deviation in the subsequent measurement under either IAS 36 (AFREP perspective) or IFRS 6 (SunMirror perspective). The proceedings have now been forwarded by AFREP to the Austrian Financial Market Authority (FMA), which will form an independent opinion on this matter. The proceedings with FMA had not been concluded at the time the consolidated financial statements were prepared.

Irrespective of the FMA's decision, the Board of Directors does not expect any impact on the figures published in these consolidated financial statements.

3.2 Legal disputes

The Company has been in a dispute with the holders of the former 52'534 mandatory convertible notes ISIN CH1142529093, which were issued in December 2021 and were automatically converted into SunMirror shares on 20 December 2022 at a price of EUR 75 per share. The noteholders have disputed the conversion of their notes. The Company considers that the notes were rightfully converted to shares and fundamentally disagrees with the noteholder's allegations. On this basis and given the current facts, the Company is of the opinion that the claims are unfounded and does not recognize a provision or disclose a contingent liability in connection with this dispute. At a conciliation hearing in March 2023, no settlement was reached. Following such conciliation hearing the noteholders failed to file a claim in Swiss courts within the applicable deadline. In order to file a claim, the noteholders would have to start the process again and request a new conciliation meeting. There have been no further developments on this matter since March 2023.

4. DETAILS ON PERFORMANCE AND BALANCE SHEET ITEMS

4.1 Revenue

The Group did not start its operating activities yet therefore, no revenue had been generated in the reporting period and in the comparative period.

4.2 Other income

Other income results from the reversal of current provisions no longer required, the successful clawback of an advance payment and the successful reclaim of input VAT.

4.3 Exploration expenditure

Currently, the two evaluation and exploration assets Moolyella and Kingston Keith are being explored for potential resources subject to economic development. The costs incurred were fully capitalized in the financial years 2024 (USD 0.4 million) and 2023 (USD 0.2 million) as disclosed in Note 4.11, which is why there were no charges in the statement of profit and loss.

4.4 Personnel expenses

In USD thousand	**2024**	**2023**
Wages and salaries	-777	-865
Share-based payments	-	-8
Social security	-16	-41
Defined benefit plans	-	-18
Defined contribution plans	-2	-4
Other personnel expenses	-11	-13
Total Personnel expenses	**-806**	**-949**

4.5 General and administrative expenses

In USD thousand	2024	2023
Consulting fees	-3	-97
Regulatory expenses	-68	-213
Legal and tax fees	-63	-588
Accounting and auditing fees	-279	-680
Investor Relations	-70	-294
Capital tax	-2	-14
Other operating expenses	-87	-153
Total General and administrative expenses	**-572**	**-2,039**

4.6 Financial result

In USD thousand	2024	2023
Gains on marketable securities	-	42
Foreign currency exchange gains	117	81
Interest income	66	13
Financial income	**183**	**136**
Interest expenses	-	-218
Foreign currency exchange losses	-205	-510
Financial expenses	**-205**	**-728**
Total Financial result	**-22**	**-592**

The financial income results from interest income on cash and cash equivalents and foreign currency transactions and translations in net working capital.

Financial expenses result from foreign currency transactions and translations in net working capital.

4.7 Income tax

In the current and the comparative periods, the Group did not generate taxable profits. The accumulated tax losses carryforward, which amounted to USD 44.5 million as of 30 June 2023, further increased as of 30 June 2024 to an amount of USD 45.2 million. No deferred tax asset has been recognized in relation to tax loss carry forwards due to the uncertainty of realization.

Tax loss carryforwards currently available in Switzerland amount to USD 20.1 million and can be used to offset any taxable profits within seven years. Those available in Luxembourg amount to USD 22.1 million and can be utilized against taxable profits within 17 years whereas those in Australia and Singapore can be claimed for an unlimited period. The potential tax benefit from such unused tax losses is estimated in Switzerland as the sum of Federal and Cantonal corporate income tax, currently amounting to 12%. In other territories, the applicable tax benefit is based on the corporate income tax rate applicable in each jurisdiction, being 17% in Luxembourg as well as in Singapore and 30% in Australia.

No deferred tax on temporary differences has been recognized in the period, given the significant amount of deferred tax assets available to offset any resulting deferred tax liability.

The Group is not expecting to meet the threshold requirements by the Organisation for Economic Co-operation and Development (OECD) issued model rules for a new global minimum tax framework (Pillar Two) rule and corresponding disclosure requirements.

4.8 Loss per share

Basic earnings per share (EPS) is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Accounting for the capital increase as of 23 December 2022, the weighted average of outstanding shares during the twelve months ended 30 June 2024 was 2,395,755 (30 June 2023: 2,370,424 shares).

Dilutive potential is contained in the stock option plan (previous year compulsory convertible notes). If full conversion potential of the options would be exercised, the stock option holders would receive 17,968 shares of the Company (previous year 8'984 shares). Due to the fact that the Company reported a loss for the year (and previous year), there is no dilutive impact on the EPS.

4.9 Segment reporting

The Group did not yet start its operating activities, therefore only one operating and reportable segment has been identified. Consequently, the conduct of exploration activities can be regarded as the Group's sole segment.

4.10 Intangible assets

In USD thousand	Royalty	Domains	Total
Cost as at 01 July 2022	**26,344**	**13**	**26,357**
Currency translation	-923	1	-922
Cost as at 30 June 2023	**25,421**	**14**	**25,435**
Cost as at 01 July 2023	**25,421**	**14**	**25,435**
Currency translation	54	-1	53
Cost as at 30 June 2024	**25,475**	**13**	**25,488**

Intangible assets include together with the domains the Royalty Agreement for the Cape Lambert Magnetite Project. The increase as well as decrease in value during the financial year resulted exclusively from currency translation effects. The acquisition value of the royalty on Cape Lambert in the functional currency is AUD 38.2 million. No impairment losses have been recognized on this asset to date.

The Royalty Agreement is not yet available for use and is therefore tested for indicators of impairment at each reporting date (see Note 2.5).

The Group tests whether there are any indicators that the Royalty Agreement may have suffered an impairment on an annual basis. For the 2024 and 2023 reporting periods, no impairment indicator defined under IFRS 6 was identified. The carrying value of the Royalty Asset is linked to a retention license (see Note 1.2). The commencement of the mining operations is currently not yet set.

4.11 Exploration & evaluation assets

In USD thousand	Moolyella E45/5573	Kingston Keith E53/1953	Total
Cost as at 01 July 2022	**3,460**	**321**	**3,781**
Additions	141	76	217
Transfers	15	-15	-
Currency translation	-123	-12	-135
Cost as at 30 June 2023	**3,493**	**370**	**3,863**
Cost as at 01 July 2023	**3,493**	**370**	**3,863**
Additions	288	84	372
Currency translation	13	2	15
Cost as at 30 June 2024	**3,794**	**456**	**4,250**

Exploration potential acquired consists of the estimated fair value attributable to exploration licenses acquired as part of an asset deal and the capital expenditures made since acquisition. The resulting new information relating to these assets deriving from these activities did not reveal any indication for impairment. These are exclusively assets that are allocated to phase 1 (exploration and evaluation) and have an undefined useful life.

In order to maintain current rights of tenure to exploration tenements, the Group will be required to outlay approximately USD 89 thousand per year to meet minimum expenditure requirements for the duration of the tenements.

4.12 Financial assets

In USD thousand	30 June 2024	30 June 2023
Loans to shareholders at amortized cost	334	333
Total Financial assets	**334**	**333**

For terms and conditions of the loan to shareholders, refer to Note 5.3.

4.13 Other receivables

In USD thousand	30 June 2024	30 June 2023
Prepaid expenses and accrued income	53	46
Receivables from government authorities	50	22
Advance payments	89	101
Total Other short-term receivables	**192**	**169**

Prepaid expenses and accrued income contain primarily prepaid expenses for insurance, research, and consulting services as well as prepaid bank fees. Accrued income contains primarily interest income.

4.14 Cash and cash equivalents

In USD thousand	30 June 2024	30 June 2023
Cash at banks	2,103	3,992
Total Cash and cash equivalents	**2,103**	**3,992**

4.15 Shareholder's equity

Reconciliation of the number of shares outstanding:

	Total
Issued shares on 01 July 2022	**2,343,221**
Conversion of compulsory convertible notes	52,534
Issued shares on 30 June 2023	**2,395,755**
Issued shares on 01 July 2023	**2,395,755**
Issued shares on 30 June 2024	**2,395,755**

4.16 Financial liabilities

The table below provide details on the cash flows from financing activities from the previous year. There were no corresponding cash flows in the reporting year:

The cash-component of the repayment of the convertible loan at amortized cost includes the nominal amount plus interest accumulated over the term. The compulsory convertible notes were converted into newly issued shares (see Note 3.2).

In USD thousand	Balance as at 01 July 2022	Cash effective	Non-cash effective	Balance as at 30 June 2023
Convertible bond at amortized cost	2,829	-2,897	68	-
Compulsory convertible notes at amortized cost	3,893	-	-3,893	-
Shareholder loan	1	-1	-	-
Total current financial liabilities	**6,723**	**-2,898**	**-3,825**	**-**

4.17 Trade and other payables

In USD thousand	30 June 2024	30 June 2023
Trade payables	36	89
Other payables	287	519
Total trade and other payables	**323**	**608**

Trade payables relate primarily to open balances for received accounting, legal and consulting services as well as social security contributions.

All outstanding balances are generally due within three months, whereby the majority is due within 30 days. Other liabilities include accrued liabilities, current provisions and invoices not yet received.

4.18 Other non-financial liabilities

Other non-financial liabilities contain capital tax accruals amounting to USD 3 thousand (previous year: USD 13 thousand).:

4.19 Provisions for pensions and other employee benefits

Defined contribution plans:

Obligations for contributions to defined contribution pension plans are recognized as employee benefit expense in the profit or loss when they are due. Prepaid contributions are recognized as assets to the extent that a cash refund or a reduction in future payments is available. The expense recognized in the current period in relation to these contributions amounted to USD 2 thousand (previous year USD 4 thousand).

Defined benefit plans:

The Company pays contributions to defined benefit plans for post-employment benefits. The pension fund provides benefits in the event of retirement, death, or disability. The plan's benefits are based on age, years of service, salary and on an individual old age account.

In USD thousand	Defined benefit obligation	Plan assets	Net defined benefit obligation
01-Jul-22	**68**	**-35**	**33**
Recognized in profit or loss			
Current service costs	18		18
	86	**-35**	**51**
Other			
Contributions to the plan by the employer		-7	-7
Contributions to the plan by the employees	7	-7	0
	93	**-49**	**44**
Recognized in other comprehensive income			
Actuarial gains arising from:			
- termination of the pension plan	-93	49	-44
30-Jun-23	**0**	**0**	**0**

The plan is funded by assets held within the legal separate entity of the foundation. The valuation is done by an actuary and is based on the „Projected Unit Credit Method".

The defined benefit plan was terminated due to employees leaving the Company last year. For this reason, there is no information on the actuarial assumptions, mortality, etc.

Stock options:

In USD thousand	Balance as a 01 July 2022	Cash effective	Non-cash effective	Balance as a 30 June 2023
Stock option plan for management	-	-	8	8
Total other non-current provisions	**-**	**-**	**8**	**8**

In USD thousand	Balance as a 01 July 2023	Cash effective	Non-cash effective	Balance as a 30 June 2024
Stock option plan for management	8	-	-	8
Total other non-current provisions	**8**	**-**	**-**	**8**

See Notes 2.3.11 and 5.2 for further information.

5. OTHER DISCLOSURES

5.1 Disclosure on financial instruments

5.1.1 Fair values and categories of financial instruments

The Group's financial assets comprise of cash at bank and loans issued to shareholders.

Cash at bank is measured at amortized cost and its carrying amount on initial measurement is equal to its nominal amount which is considered to reflect fair value.

Loans to shareholders are measured at amortized cost. The loan is repayable within one year and the carrying amount on initial measurement is not materially different to its nominal amount. The loan is partially secured by shares of SunMirror AG and bears interest at 1.00%.

The table below summarizes classification of financial instruments depending on their subsequent measurement:

Financial liabilities contain trade and other payables. All financial liabilities are short-term.

Trade and other payables are measured at amortized cost, which is not materially different to the nominal amount at which they will be settled due to their short-term maturity within the next 3 months.

Due to the short-term maturities, fair values of financial instruments held at amortized cost approximate their carrying amounts.

5.1.2 Capital management

The objective of the capital management of SunMirror Group is primarily designed to finance the Group's growth strategy and to maximise the shareholder value. Management monitors and adjusts the capital structure to ensure stable financing at the lowest possible cost.

In USD thousand	**30 June 2024**	**30 June 2023**
Financial assets		
Measured at amortized cost	**2,437**	**4,325**
Cash at banks	2,103	3,992
Loans to shareholders at amortized cost	334	333
Total Financial assets	**2,437**	**4,325**
Financial liabilities		
Measured at amortized cost	**323**	**608**
Trade payables	36	89
Other liabilities	287	519
Total Financial liabilities	**323**	**608**

5.1.3 Financial instruments risk management objective and policies

The Group's risks arising from financial instruments is limited due to the nature of the financial instruments held.

Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate because of changes in foreign exchange currencies, interest rates and other market prices. As part of its operations, the Group is exposed to fluctuations in mineral prices, and in particular to those related to lithium and iron ore and in relation to the latter, the future timing of extraction activities.

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's cash at banks. The Group manages this foreign currency risk by monitoring movements in exchange rates.

The largest share of operating activities (e.g., acquisition of exploration licenses) are conducted in AUD, personnel expenses are conducted in CHF and GBP while general and administrative expenses are conducted primarily in CHF, EUR, and AUD.

The Group's exposure to foreign currency risk at the end of the reporting period arises mainly from financial instruments denominated in EUR:

In USD thousand	30 June 2024	30 June 2023
Financial assets denominated in EUR		
Cash at banks	1,782	3,689
Total Financial assets denominated in EUR	**1,782**	**3,689**
Financial liabilities denominated in EUR		
Trade payables	12	67
Other liabilities	31	111
Total Financial liabilities denominated in EUR	**43**	**178**
Total financial instruments denominated in EUR	**1,825**	**3,867**

Sensitivity

The Company is primarily exposed to changes in the EUR/CHF exchange rate. A change of 5% in EUR/CHF exchange rate (ceteris paribus) would lead to a net effect on profit and loss in the following amount:

In USD thousand	30 June 2024	30 June 2023
EUR/ CHF exchange rate - increase 5%	91	193
EUR/ CHF exchange rate - decrease 5%	-91	-193

The aggregate net foreign currency gain (-loss) recognized in profit or loss amounts to USD -87 thousand (PY: USD 193 thousand).

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its activities, including deposits with banks and financial institutions and the loan given to shareholder.

Credit risk from balances with banks and financial institutions is managed by the Group on an ongoing basis. Credit risk stemming from cash and deposits is very low. SunMirror maintains several relationships with reputable Banks, having an independently assessed credit rating of A2.

Credit risk from the loan with the shareholder is classified by management as medium, as it is not fully secured by the shareholder‘s shares pledged to SunMirror. In 2024, this resulted in coverage of between 1% and 7%. depending on the current share price of the SunMirror share.

The Group’s maximum exposure to credit at the reporting date are the carrying amounts of the financial assets as illustrated in the financial statements, as recognized in the statement of financial position.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group monitors its risk of a shortage of funds. SunMirror only holds short-term debt and ensures the availability of short-term liquid funds. An exception is the provision for the stock option plan, which is of a long-term nature.

The contractual maturities of the financial liabilities as of 30 June 2024 are limited to current liabilities, as all maturing within the next 3 months. The same maturity applied to the financial liabilities recognized in previous years. The below table presents the Group’s liquidity position as of 30 June 2024 and 30 June 2023. The amounts presented are undiscounted cash flows from financial instruments.

In USD thousand	**30 June 2024**	**30 June 2023**
Financial assets		
Cash at banks	2,103	3,992
Loans to shareholders at amortized cost	334	333
Total inflow of liquid funds	**2,437**	**4,325**
Financial liabilities		
Trade payables	-36	-89
Other liabilities	-287	-519
Total outflow of liquid funds	**-323**	**-608**
Net liquidity from financial instruments	**2,114**	**3,717**

Concentration of market and sources of funding

Concentration of risks depends on exposure to counterparties, geographies, industries, and currencies. The Group actively assesses and manages risk concentrations.

Exposure to geography and industry risks is inherent to the business of the Group. The Group is currently primarily present in Australia. However, activities of the Group are planned to be expanded to other countries as well limiting exposure to geography risks.

In the current phase, SunMirror is concentrating on equity or similar financing as well as partnerships with profit participation.

5.2 Share-based payments

In May 2023, the Board of Directors of SunMirror AG introduced a stock option plan. Certain members of the management and selected key employees are eligible to participate in the plan (participants). This stock option plan establishes a framework to provide participants with long-term incentives and to better align their interests with the interests of shareholders and the prosperity of the Company. The stock option plan is classified as cash settled. However, the Company has the right to settle either in cash or equity at its sole discretion. The stock option plan may be amended from time to time and is a discretionary incentive plan for employee retention and motivation.

Awards are made on the recommendation of the Remuneration Committee based on participant performance and employment conditions and are approved by the Board of Directors. The individual terms and conditions applicable to each participant in connection with each stock option award, in addition to the general provisions of this plan, are subject to a separate award agreement.

Generally, awards are made over a three-year service period. The vested options may subsequently be exercised over a period of 10 years. One option entitles the holder to subscribe one share of SunMirror AG or a corresponding compensation in cash. The exercise prices of the options are calculated by reference to share price historical averages. Upon termination of employment, unvested options may or may not be cancelled depending on the circumstances. The related expense is recognized over the service period in personnel expenses (Note 4.4) and the cumulative liabilities are recognized as non-current provision (Note 4.19).

Number of stock options	**Granted, not yet vested**	**Non-current provision**	**Personnel expenses**
Stock option plan for management			
Balance as at 01 July 2022	**-**	**-**	
Granted with an average exercise price of EUR 7.00 per share/ option	17,968		
Vested within the period and exercisable during the next 10 years	-8,984		
Accrual for service period		10,806	10,806
Balance as at 30 June 2023	**8,984**	**10,806**	**10,806**
Balance as at 01 July 2023	**8,984**	**10,806**	
Vested within the period and exercisable during the next 10 years	-8,984		
Accrual for service period		7,162	7,162
Balance as at 30 June 2024	**-**	**17,968**	**7,162**

5.3 Related-party transactions

The Group's related party transactions include transactions with:

- Board members and members of the management of SunMirror (defined as Board members and management of SunMirror AG).
- Gilmore Capital Ltd (formerly Gravner Ltd.), a shareholder, which used to have significant influence over SunMirror, supported the Group by searching for investment opportunities. These services were provided free of charge. In addition, a AUD 500,000 loan was extended by SunMirror to the shareholder in April 2021.

The compensation of Board members and members of the management comprised the following:

In USD thousand	2024	2023
Short-term employee benefits	751	749
Share-based payments	-	8
Post-employment benefit plans	-	21
Total	**751**	**778**

The amounts disclosed in the table are the amounts recognized as personnel expenses during the reporting periods related to Board members and members of the management.

The following transactions occurred with related parties:

In USD thousand	2024	2023
Interest income resulting from loans granted to shareholders	3	3
Total	**3**	**3**

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

In USD thousand	30 June 2024	30 June 2023
Current liabilities from:		
Members of the management	-12	-13
Total	**-12**	**-13**
Loan granted to:		
Shareholders	334	333
Total	**334**	**333**
Non-current provisions:		
Stock option plan for management	-8	-8
Total	**-8**	**-8**

The loan granted to the shareholder contemplates repayment in cash on demand in full including interest at an interest rate of 1% per annum. It is possible that the loan (together with accrued interest) will be settled through delivery of an agreed Australian Exploration License subject to satisfactory due diligence and documentation. The loan is partially secured by shares of SunMirror AG.

6. EVENTS AFTER THE END OF THE REPORTING PERIOD

No events occurred after the balance sheet date that need to be disclosed.

Report of the statutory auditor
to the general meeting of
SunMirror AG, Zug

Zurich, October 18, 2024

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of SunMirror AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2024, the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion the consolidated financial statemens presented on pages 45 to 75 give a true and fair view of the consolidated financial position of the Group as at June 30, 2024 and of its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of non current assets

The carrying amount of the Group's non-current assets within the scope of IFRS 6 - Exploration for and evaluation of mineral resources - includes intangible assets in the form of license rights and exploration and evaluation assets. As of June 30, 2024, these totaled USD 30 million (June 30, 2023: USD 29 million, see notes 4.11 and 4.12). The carrying amount of exploration assets represents a total of 92% of the Group's total assets as of June 30, 2024 (June 30, 2023: 87%).

Audit matter

Given the significance of the amounts in the balance sheet and the inherent uncertainties such as:

- the long-term focus on potential development and mining of metals;
- the determination of whether or not suspected deposits actually exist;
- the determination and assessment of any impairment indicators that may exist;
- dependencies on third party interests, some of which are significant;

we have classified the valuation of intangible assets as a key audit matter.

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Our approach

Our audit procedures included the following:

- We obtained an understanding of the valuation methodology and assessment of impairment indicators applied by management for the year ended June 30, 2024.
- We assessed the design and implementation of relevant controls related to management's assessment of potential impairment indicators as of year-end.
- We performed the following additional audit procedures to verify the existence of the recognized intangible assets:
  - Reviewed the underlying exploration licenses and related required activities to verify the existence of ownership and validity as of year-end;
  - Review of recent field visit reports prepared by management's expert;
  - Interviewing management;
  - With respect to the license rights, we requested a third-party confirmation from the licensee confirming the license rights as per the original agreement and the ownership of the respective retention license.

Based on our audit results, we conclude that the valuation of the assets is in accordance with IFRS and that management's assessment that there are no impairment indicators is reasonable.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a ture and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Groups's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities of business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ferax Treuhand AG

Renzo Peduzzi	Antonio Marin
Licensed Audit Expert	*Licensed Audit Expert*
Auditor in charge	

Statement by all legal representatives

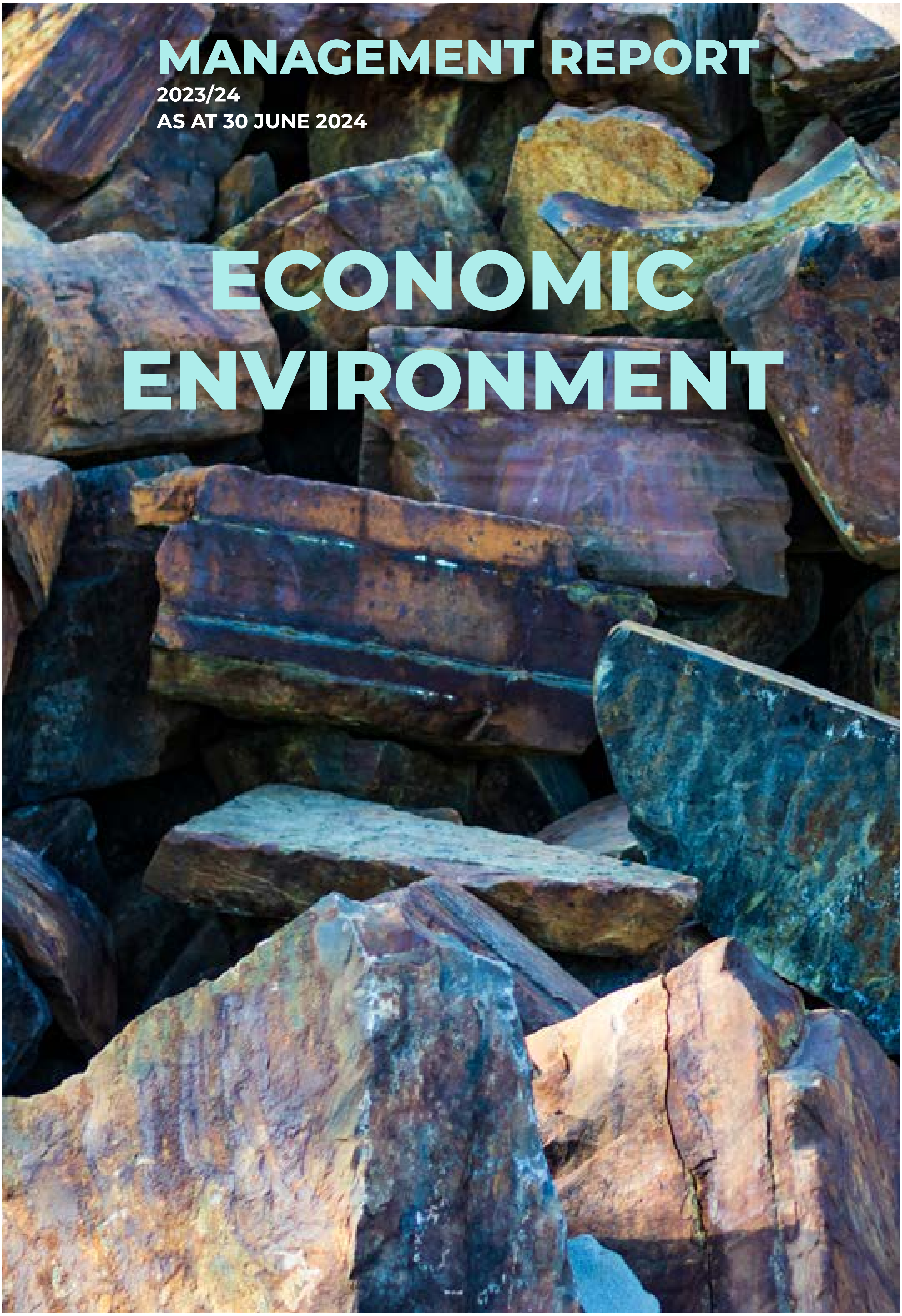
We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group as required by the applicable accounting standards
and that the Group management report gives a true and fair view of the development and performance of the business
and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

Zug, 18 October 2024

Laurent Quelin e.h.
Member of the Board

MANAGEMENT REPORT
2023/24
AS AT 30 JUNE 2024

ECONOMIC ENVIRONMENT



ECONOMIC ENVIRONMENT

Executive summary

World economic growth remains relatively soft, weighed down by relatively tight financial conditions. However, key economic indicators suggest the world economy picked up modestly in the first half of 2024. In the United States, economic growth remains firm, and inflation is declining. In China, government support measures in 2023 and early 2024 have yet to turn around ongoing weakness in the residential property sector. This weakness has detracted from the impact of strong Chinese exports and large investments in infrastructure and manufacturing capacity.

Reflecting the recent improvement in economic activity and the prospect of less restrictive monetary policy in major Western economies, ferrous and non-ferrous metal prices have generally risen since the March 2024 REQ. The iron ore price has steadied above US$100 a tonne, and copper recently traded above US$10,000 a tonne. Since the end of 2Q 2024, prices have softened again.

The gold price has hit new record highs since the March 2024 REQ, driven by central bank buying and Chinese household demand for alternative investments amidst property and share market weakness.

The prices of lithium and nickel appear to have started a recovery after large falls in 2023 and early 2024. Despite both prices hitting multi-year lows in H1 2024, some new Australian nickel and lithium projects are proceeding. Australian spodumene production is competitive with rival lithium brines.

Measures by a number of governments to intervene in trade with China will have implications for the direction and quantity of Australian resource and energy exports. Widespread trade measures may see the competitiveness of Chinese manufacturers deteriorate relative to other Asian trading nations that Australia supplies — such as Japan and South Korea. Australian exports could suffer if some of China's manufacturing base is lost to North America and Western Europe.

The pace of US adoption of EVs and renewable energy technologies could change depending on the outcome of the US Presidential election in November, with significant implications for the demand for battery minerals in the short term. Demand growth in other major markets (the EU and China) is likely to rise strongly.

Recent moves by the UK and US to ban Russian metal from entering LME and Comex warehouses are likely to push even more Russian metal towards China and India. Australian miners will be more likely to replace Russian metal sales to Japan and South Korea. Nickel and aluminium will be the most affected metals.

The continued growth in the adoption of emerging technologies that are power intensive — including generative artificial intelligence — will increase demands on power generation in many countries. This is expected to increase demands for (especially) gas-powered electricity generation in the short term.

Macroeconomic Environment

SUMMARY: .

Global industrial production lifted in the first half of 2024, on account of improving global goods demand. China accounted for most of the growth in global industrial production and merchandise exports.

The outlook for global growth in 2024 has improved slightly, with risks evenly balanced. As inflation returns to target levels, central banks will exit restrictive stances, with growth to pick up in 2025.

In May 2024 , China's growth outlook for 2024 and 2025 was revised up on account of better than expected growth in 1Q 2024 and policies recently announced targeting the property sectoren.

Declining inflation and resilient growth still expected, with risks balanced

World economic growth remains relatively soft, weighed down by relatively tight financial conditions. However, key economic indicators suggest the world economy picked up modestly in the first half of 2024. In the US, economic growth remains firm, and inflation is declining. In China, government support measures have yet to turn around ongoing weakness in the property sector. This weakness has detracted from the impact of strong Chinese exports and large investments in infrastructure and manufacturing capacity.

Reflecting recent improvement in economic activity and the prospect of less restrictive monetary policy in major Western economies, ferrous and non-ferrous metal prices have generally risen since 1Q 2024. Iron ore prices have steadied above US$100 a tonne, and copper recently traded above US$10,000 a tonne, noting however that since the end of 2Q 2024, prices have softened again.

Despite both prices hitting multi-year lows in H1 2024, some new Australian nickel and lithium projects are proceeding. Australian spodumene production is competitive with rival lithium brines. The gold price has hit new record highs since 1Q 2024, driven by central bank buying and Chinese household demand for alternative investments amidst property and share market weakness.

Measures by governments to intervene in trade with China will have implications for the direction and quantity of resource and energy. Australian exports could suffer if some of China's manufacturing base is lost to North America and Western Europe instead — since higher transport costs may preclude some Australian producers from accessing these markets.

The pace of US adoption of EVs and renewable energy technologies could change depending on the outcome of the US Presidential election, with significant implications for the demand for critical minerals in the short term. Demand growth in other major markets (the EU and China) is likely to rise strongly.

Recent moves to ban Russian metal from entering LME and Comex warehouses are likely to push even more Russian metal towards China and India. Australian miners will be more likely to replace Russian metal sales to Japan and South Korea. With Russia being a major producer, nickel and aluminium will be the most affected metals.

Finally, the continued growth in the adoption of power intensive emerging technologies — including generative artificial intelligence — will increase power demand in many countries.

World Economic Outlook

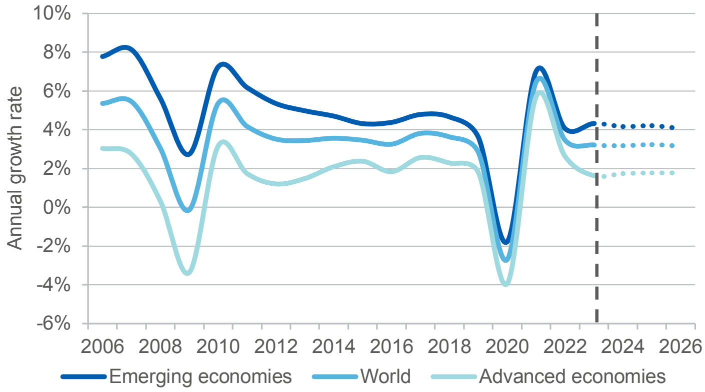
The International Monetary Fund's (IMF) April forecasts were for the world economy to grow by 3.2% in 2024 and then continue at the same pace through to 2026. This represented an upgrade of 0.1 percentage points for 2024 compared to the IMF's January 2024 outlook — reflecting upgrades made to forecast growth for the US, offset by downward revisions across several other economies. The IMF stated the risks to the outlook have eased and are broadly balanced compared to their January update.

Growth in advanced economies is expected to rise to 1.7% in 2024 and 1.8% in 2025 and 2026. The forecast is revised upward by 0.2 percentage point for 2024, given improved outlook for the US — revised up by 0.6 percentage points. Emerging economies are expected to continue their relatively strong growth during the outlook period, with growth rising to 4.2% in 2024 and 2025. The growth rate for 2024 has been revised up by 0.1 percentage points, given a stronger growth outlook in India and Brazil.

The IMF noted that the global economy has been resilient, avoiding recession despite the various shocks that have played out over the past few years. Tight labour markets have softened the effects of tightened monetary policy on consumption growth, with global goods demand improving over H1 2024 and lifting the global manufacturing outlook.

Recent policy moves and a better economic performance in China in the March quarter led the IMF to revise up its growth forecasts compared with the April outlook (see China section). The IMF now expects China's economy to grow by 5.0% in 2024 and 4.5% in 2025, easing to 4.1% by 2026 — in line with a long-term trend towards lower economic growth.

GDP Growth Forecasts (below)



Source: IMF (2024)

The IMF emphasised both upside and downside risks to global growth, including the degree to which inflation persists or geoeconomic fragmentation intensifies. Additional risks stem from the outlook for China, depending on the further scale and duration of its property sector downturn. Additional property sector reforms and large-scale investment may boost subdued confidence; however, structural challenges and local government financing constraints pose risks to the pace of recovery.

Increasing risks to the global trading system and geoeconomic fragmentation with growing sanctions and trade policies present a downside risk to global growth. The IMF notes this may detract 0.5-0.7% from global growth over next 5 years, depending on the severity of the fragmentation.

Relevant Commodity Markets

GOLD

SUMMARY: .
Gold prices averaged about US$2,200 an ounce in the first half of 2024, up 15% year-on-year due to strong demand from investors and central banks. Prices are forecast to remain elevated throughout 2024 and 2025, before easing slightly in 2026.
Australian gold production decreased by 4.0% year-on-year in the March quarter 2024, due to lower grades and disruptions from heavy rainfall. Production is forecast to grow over the outlook period as major new projects and expansions come online.
Gold export earnings are expected to reach a record $33 billion in 2023– 24, easing to around $31 billion in 2025–26 as prices gradually decline from record levels in Australian dollar terms.

Australia's gold sector

Source: GA ; DISR ; OCE

World gold consumption decreased in the 1Q 2024

World gold demand decreased by 5.3% year-on-year to 1,100 tonnes in the March quarter 2024. This fall was largely driven by a 28% decline in investment demand, with central bank demand continuing to be elevated..

Official sector (central banks and other government financial institutions) gold buying rose marginally year-on-year to 290 tonnes in the March quarter 2024 — a record March quarter total. Official sector demand has been strong since mid-2022, with purchases dominated by emerging market central banks eager to lift gold reserves to diversify their reserve portfolio and boost the liquidity of reserves.

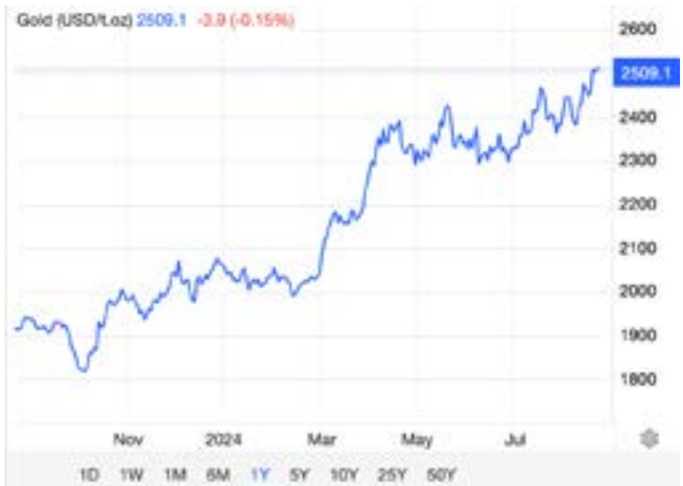
Strong investment demand to drive gold consumption to a peak in 2024

The general outlook for gold is very positive with World gold consumption forecast to rise by 1.9% to 4,500 tonnes in 2024. This increase is expected to be mainly driven by growth in investment demand (particularly for gold bars and coins) and to a lesser extent, a rebound in consumer electronics demand.

Gold prices rose sharply to new records in the first half of 2024

The London Bullion Market Association (LBMA) gold price is estimated to have averaged about US$2,200 an ounce in H1 2024 — 15% higher than in 2023. The gold price outperformed market expectations in the June quarter 2024, with prices reaching a record high of US$2,427 an ounce on 21 May. Price rises were broadly driven by strong gold demand from emerging market central banks and safe-haven investment — given geopolitical risks such as escalations in the Middle East.

Historical Gold Price (below)



Source: https://tradingeconomics.com/commodity/gold

Gold prices to remain near record levels in 2024 and 2025 before easing

Gold prices are forecast to average about US$2,230 an ounce in 2024 — a 10% upward revision compared with the March 2024 Resources and Energy Quarterly. Prices are forecast to remain steady just below the record level of the June quarter 2024, based on a scenario where monetary easing commences by the end of the year in the US and other major economies. In this scenario, investor demand is expected to be strong over H2 2024, as bond yields ease in anticipation of rate cuts.

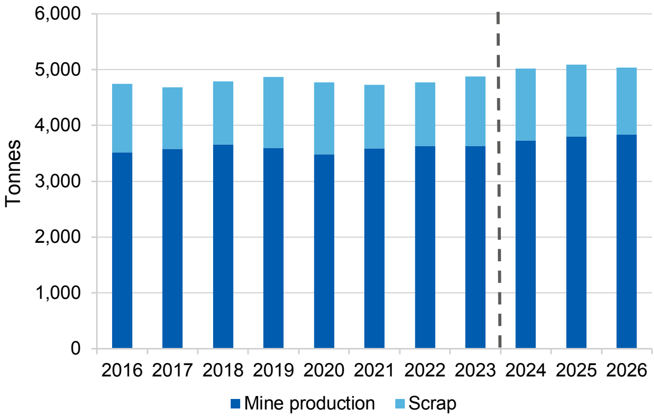
Once monetary easing commences, gold prices are expected to receive continued support through 2025, as the US dollar eases and investors gain greater clarity on the pace and scale of further rate cuts. Gold prices are forecast to average ~ US$2,200 an ounce in 2025.

After 2025, gold prices are forecast to gradually ease to around US$2,000 an ounce by the end of 2026 as monetary easing cycles near completion and safe-haven demand eases.

World gold supply to peak in 2025 as new projects come online

World gold supply is forecast to rise on average by 1.6% a year from 2023, peaking at 5,090 tonnes in 2025. Increasing world gold mine production will be supported by further strength in recycling activity.

World Gold Supply (below)

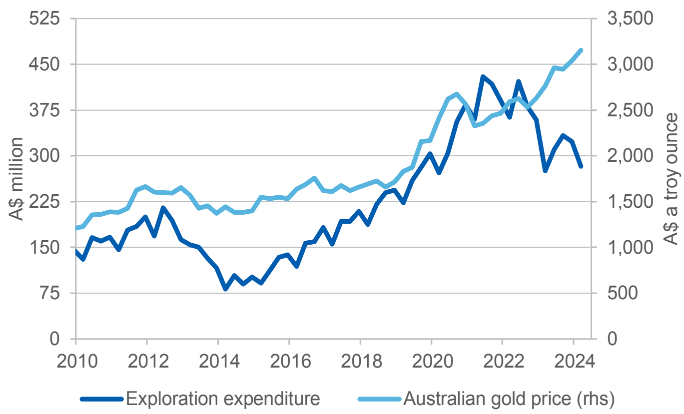


Source: DISR (2024), Metals Focus (2024), World Gold Council (2024)

Gold exploration weak given high prices in the 1Q 2024

Australia's gold exploration expenditure rose 2.5% year-on-year to $283 million in the March quarter 2024. Gold's share of Australian mineral exploration expenditure rose to 31% in the March quarter 2024 after averaging 29% in 2023. This decline in exploration occurred despite record high Australian gold prices — which have historically motivated high exploration expenditure. Western Australia remained the centre of gold exploration activity in Australia, accounting for 70% of total gold exploration expenditure.

Exploration Expenditures (below)



Source: ABS (2024)

LITHIUM

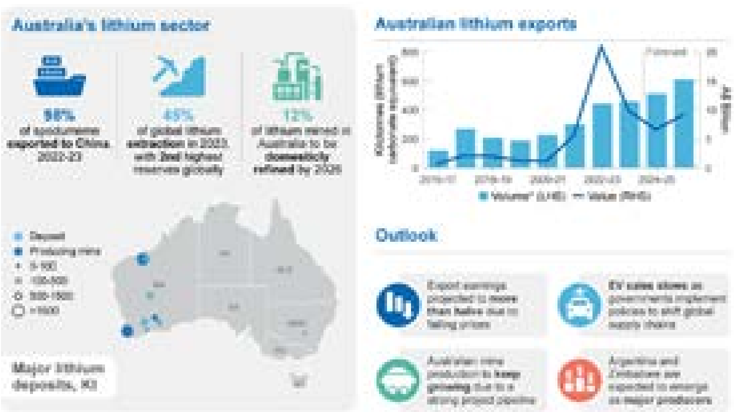
SUMMARY: .

Australia's lithium export earnings are projected to fall by more than half over the forecast period — from $20 billion in 2022-23 to $9.1 billion in 2025-26. The fall is set to be driven by weaker lithium prices, which are expected to be partially offset by a 53% increase in Australia's lithium mine production over the outlook period.

Global lithium demand is projected to rise by 17% a year between 2023 to 2026, driven by the rising adoption of electric vehicles. However, weak Chinese demand and shifting policies in the US and EU could see EV sales growth continue to remain slow.

Rise in global lithium supply will see the lithium market remain in surplus. Chinese lithium lepidolite production have seen only modest declines despite falls in prices, and there are sizeable project pipelines in Australia and among emerging producers such as Argentina and Zimbabwe.

Australia's lithium sector

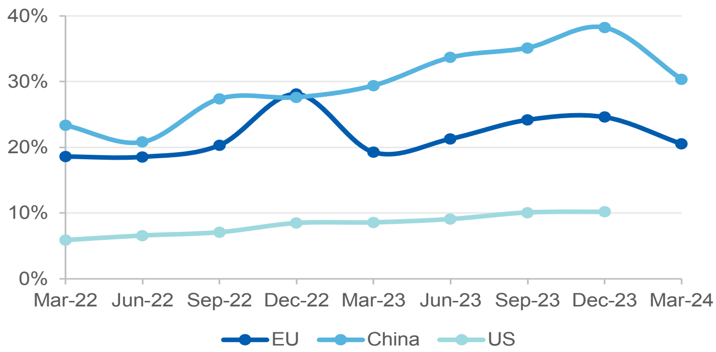


Source: ABS ; GA ; Wood Mackenzie ; WA DEMIRS ; DISR ; OCE

EV penetration fell in key markets, defying historical growth trends

Electric vehicle (EV) penetration in major vehicle markets fell in 1Q 2024. Soft consumer demand in China and policy shifts in the US and the EU contributed to the reversal in EV market penetration growth. In the passenger vehicle market, EV penetration fell quarter-on-quarter in China and the EU in 1Q 2024, by 7.9 and 4.1 percentage points respectively.

EV Penetration (below)



Notes: Data presented for the EU and China are for the passenger vehicle market, while data presented for the US is for the light duty vehicle market. EVs include both BEV and plug-in hybrid electric vehicle (PHEV).

Source: European Automobile Manufacturers Association (2024), China Association of Automobile Manufacturers (2024), Alliance for Automotive Innovation (2024), Marklines (2024)

Kelly Blue Book estimates that penetration rates of battery electric vehicles (BEVs) in the US fell from 8.1% to 7.3% quarter-on-quarter in the same period. In the US, tightened eligibility requirements for IRA tax credits contributed to the fall in adoption. The US released draft rules on eligibility for EV tax credits under the IRA in early December 2023. While the rules were labelled as draft, enforcement began at the start of 2024. As a result, eligible EV models shrank from 43 at end 2023 to 19 on 2 January 2024.

The draft rules mean EVs with battery components or critical minerals sourced from a "foreign entity of concern" (FEOC) do not qualify from part or all the EV tax credits under the IRA from 2024 and 2025 respectively. An entity is considered a FEOC if 25% or more of its board seats, voting rights or equity interests, are held by or subject to the jurisdiction or direction of the governments of China, North Korea, Russia or Iran. The final rules regarding the sourcing of lithium, amongst other mineral inputs to EVs were released in May 2024.

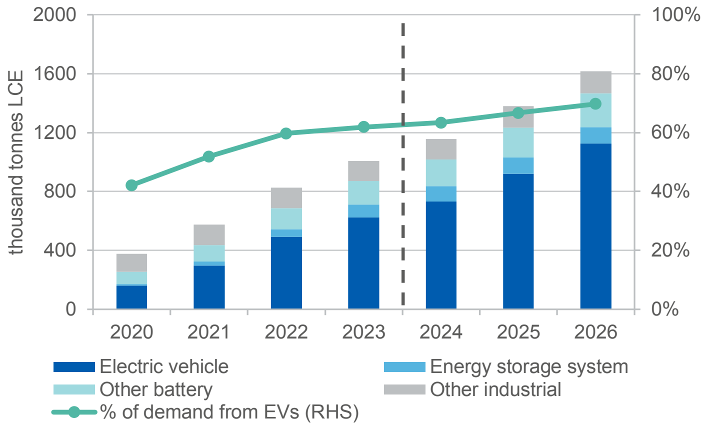
Much of the fall in EV penetration in the EU was driven by Germany, where EV subsidies of up to 4,500 euros per vehicle ended abruptly in late 2023. In November 2023, Germany's Federal Constitutional Court ruled that the subsidy's funding mechanism violated a constitutional limit on the federal deficit. The German parliament approved the 2024 Budget in February, confirming the EV subsidy will not be reinstated in 2024.

Additional factors contributing to the recent reversal in EV penetration in the US and the EU include higher interest rates because EVs tend to have a higher upfront price. EVs have also faced much higher depreciation costs over the last few years, as large cuts in the price of new EVs have led to falls in the value of second-hand EVs. Policymakers in the EU and the US have stepped back from more ambitious vehicle emissions standards proposals which might have boosted EV sales. The US Environmental Protection Agency announced new vehicle emissions standards in March 2024, requiring average fleet emissions to be reduced by 56% by 2032 — less than the 67% previously proposed. In April 2024, in a departure from a 2022 proposal, the EU approved a new Euro 7 vehicle emissions standard that does not reduce emissions limits for cars and vans.

Weakness in Chinese consumer spending is also expected to slow EV sales, as China makes up most of the global EV market. Part of this will be offset by policy changes including a government incentive offering for up to 10,000 yuan (about US$1,400) for an ICE vehicle when purchasing an EV. The scheme was announced and took effect from May until the end 2024.

EV sales growth is forecast to recover to about 25% a year in 2025 and 2026, as improving battery technology promotes EV adoption. Costs per kWh for lithium-ion batteries fell by an average of 16% a year between 2013 and 2023, and technical performance has also improved. Bloomberg New Energy Finance (BNEF) forecasts that average battery prices will decrease from an average of US$139/kWh in 2023 to $80/kWh in 2030, which will deliver substantial improvements to the cost competitiveness of EVs relative to ICEVs.

World lithium consumption, by demand (below)

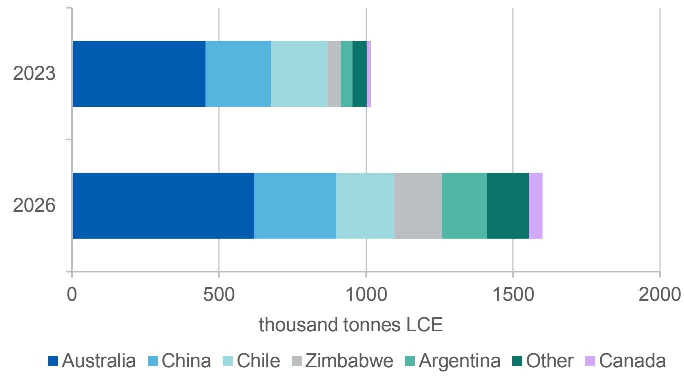


Notes: Projections are based on DISR analysis of Wood Mackenzie data.
Source: Department of Industry, Science and Resources (2024), Wood Mackenzie (2024)

World production of lithium - Argentina and Zimbabwe to emerge as major lithium producers

Global lithium extraction is forecast to rise by 17% per year to 1.7 mt LCE by 2026. Australia, Zimbabwe and Argentina are expected to drive supply growth over the outlook period. While production in Australia is expected to increase, Australia's share of global lithium extraction is projected to fall from 45% in 2023 to 39% by 2026 as supply picks up across a diverse range of countries..

Global lithium extraction, 2023 vs 2026 (below)

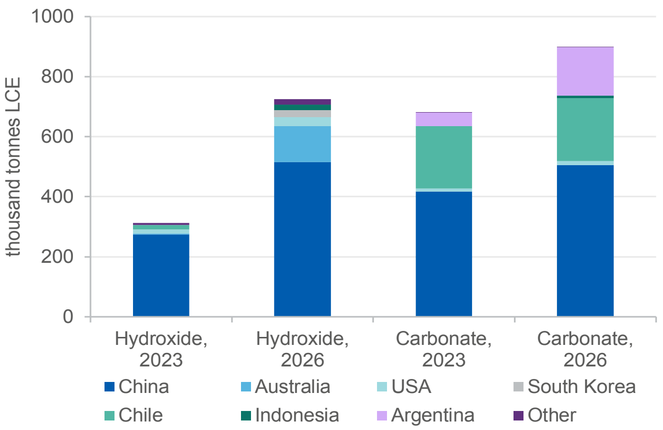


Notes: Includes lithium extracted from brines or mines. Projections are based on DISR analysis of Wood Mackenzie data.
Source: Department of Industry, Science and Resources (2024), Wood Mackenzie (2024).

Global lithium hydroxide supply to expand rapidly over the outlook period

Lithium ores produced from hard rock mining must be refined into lithium chemicals to be used in the production of battery cathodes, while evaporating brines produce lithium chemicals (largely lithium carbonate) that require no further refining. Lithium hydroxide can be used in NMC and LFP batteries, while lithium carbonate can be used in LFP batteries but must be processed into lithium hydroxide to be used for NMC batteries.
Global primary lithium hydroxide production is forecast to rise by 32% a year to 0.7 mt LCE by 2026 (see chart below). China's share of global production for lithium hydroxide is forecast to fall from 88% in 2023 to 67% by 2026, due to investments in lithium refinery capacity outside of China, particularly in Australia and the US.

Global lithium extraction, 2023 vs 2026 (below)



Notes: Includes supply from refineries and from brines, and therefore partially overlap with supply shown under lithium extraction. Lithium carbonate may be used as feedstock to produce lithium hydroxide. Excludes supply from recycling. Projections are based on DISR assessment, informed by Wood Mackenzie research. Source: Department of Industry, Science and Resources (2024), Wood Mackenzie (2024)

Global primary lithium carbonate production is forecast to rise by 10% a year to 0.9 mt LCE by 2026. China's share of global lithium carbonate production is forecast to rise from 61% in 2023 to 65% by 2026.

There is currently no substantial investment in facilities refining spodumene into lithium carbonate outside of China, and most of the new supply is expected to come from Argentinian brine projects. Offsetting some of the increase is lower production from Chinese facilities refining lithium lepidolite. Lower lithium prices have significantly lowered the profitability of mining and refining lepidolite, and this seems likely to persist over the outlook period.

Lithium prices to remain subdued as demand undershoots expectations

The rapid rise in adoption of EVs drove a record rally in lithium prices over 2021 and 2022. China's lithium spodumene and hydroxide prices peaked in November 2022, with spodumene averaging US$6,108 a tonne and the lithium hydroxide price averaging $75,393 a tonne.

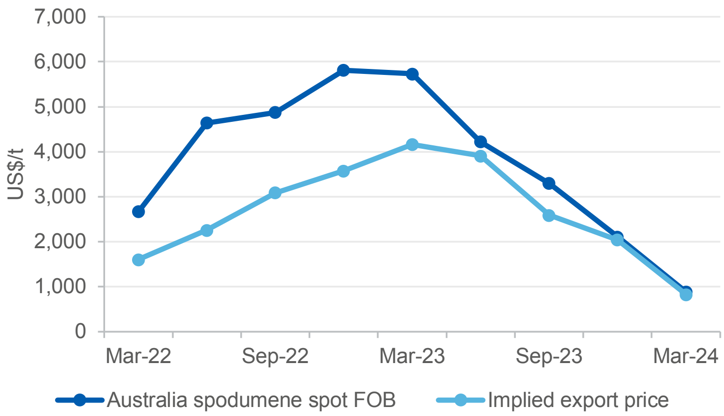
Since H2 2023, slowing growth in EV sales has resulted in lithium demand growth falling below expectations. The wave of investment in lithium production spurred on by the high prices of 2022 is bearing fruit. As a result, the lithium sector overcapacity has emerged. Prices fell over 2023 and stabilized in H1 2024. In May 2024, spodumene averaged US$1,220 a tonne, while the lithium hydroxide price averaged US$13,612 a tonne.

China's lithium spodumene price is forecast to remain weak over H2 2024, averaging US$1,100 a tonne over the year, before picking up to US$1,300 a tonne by 2026. This is largely driven by lithium demand, which faces headwinds over H2 2024 due to weak growth in EV demand. The market is expected to remain in surplus, as low prices have yet to result in sufficient supply to exit the market. Similarly, China lithium hydroxide price is forecast to average at about US$14,000 a tonne over 2024 before rising to about US$16,000 a tonne by 2026.

Export earnings fall from record high as contract price were renegotiated

Australian lithium spodumene export earnings fell 84% year-on-year in the March quarter 2024 to A$1.0b. This was largely driven by lower prices: the implied export price of Australian spodumene (at an equivalent to spodumene with 6% lithium content basis) fell 80% year-on-year. Substantial parts of Australian lithium exports trade under offtake agreements, which have in the past been linked to historically high spot prices over several months. However, there was no substantial deviation between spot and implied export price over the December 2023 and March 2024 quarters, likely because of contract renegotiations which followed the downturn in EV demand growth.

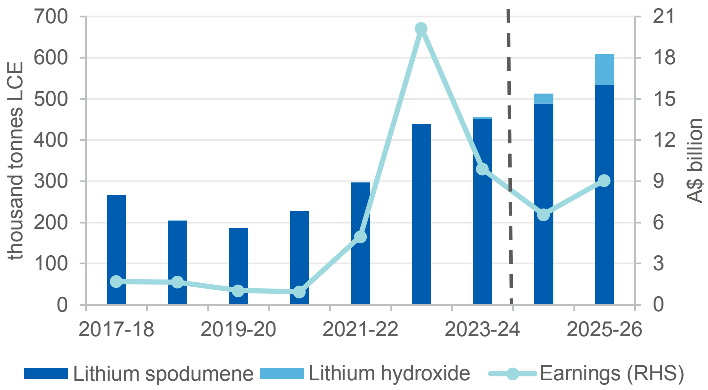
Historical spodumene price (below)



Notes: The Australian export implied price is derived from export volumes and values published by the ABS, adjusting export volumes to be equivalent to spodumene with 6% lithium content.
Source: S&P Global (2024); ABS (2024); Department of Industry, Science and Resources

Export earnings to fall as lithium prices remain low

Mine production is expected to rise by about 10% per annum over the outlook period (see figure below).



Source: Department of Industry, Science and Resources (2024)

The production increase will be driven by a ramp-up at Mt Holland, the re-opening of Bald Hill, and an expected opening at Kathleen Valley later this year, as well as expansions at Greenbushes and Mt Marion. Mineral Resources have paused the ramp up of Wodgina's third train until market conditions improve.

Australian output of lithium hydroxide is forecast to reach 74 kt in LCE terms by 2025–26, meaning around 12% of forecast Australian lithium mine production will be processed in Australia. Production ramp-ups at the Tianqi Kwinana refinery and the Kemerton refinery are expected to continue. Construction at the Covalent Kwinana refinery is ongoing, and the facility is expected to begin production in H1 2025.

Lithium export earnings are expected to fall from a record A$20 billion in 2022–23 to A$6.6 billion a year in 2024-25. Export earnings are forecast to recover to $9.1 billion a year by 2025-26 as prices recover and output expands.

IRON ORE

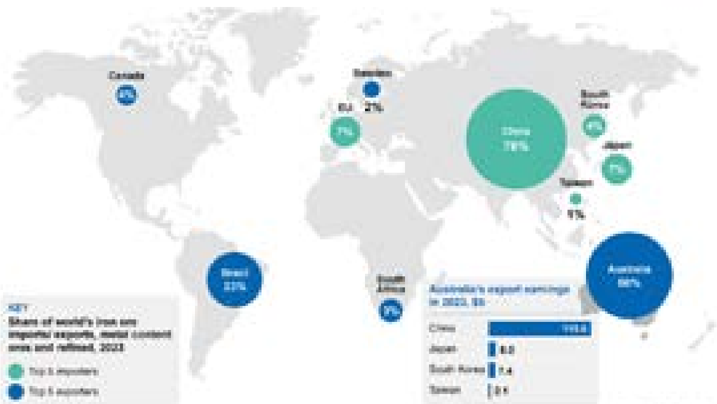
SUMMARY: .

Spot iron ore prices have stabilized in recent months, following price falls of around 30% in the March quarter 2024. The recent recovery reflects inventory restocking and improved demand sentiment — given strengthening forward indicators of Chinese industrial production.

Australian export volumes moderated in the March quarter, because of a combination of weather disruptions and maintenance and capital works at key operations. As more greenfield supply comes online from existing and emerging producers, export volumes are forecast to increase by 2.3% annually over the next two years.

Lower prices projected over the outlook period will reduce Australia's iron ore export earnings from $138 billion in 2023–24 to $114 billion in 2024–25 and $102 billion in 2025–26.

Iron ore trade map



Source: ITC Comtrade, ABS

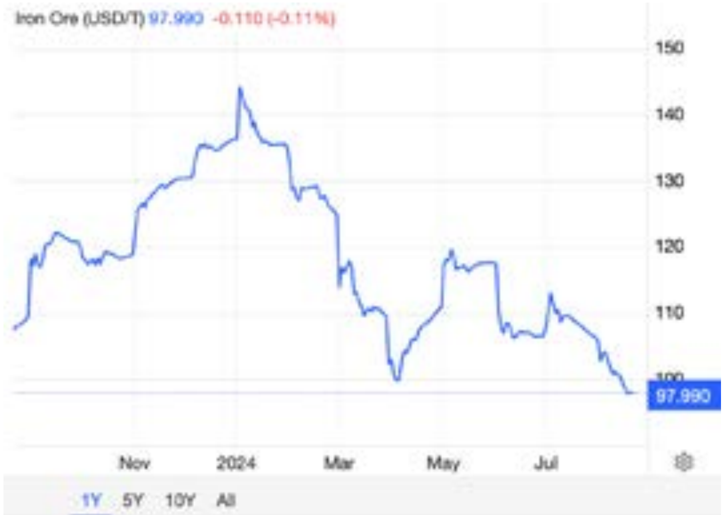
Iron ore prices stabilized in the June quarter, after large falls early in 2024

Iron ore prices stabilized in the June quarter, with the benchmark iron ore spot price (basis 62% Fe fines CFR Qingdao) averaging around $107 a tonne. This follows steep falls in the first quarter of 2024, with prices falling from over US$130 a tonne in January, to around US$95 a tonne in late- March, the lowest level since late 2022.

The stabilization and consequent pickup in iron ore prices in recent months reflects a combination of factors. This includes a slowing in the rapid build-up of iron ore inventories (which commenced in the December quarter 2023), as well as improved sentiment — due to both a strengthening of forward indicators of Chinese industrial production and a series of Chinese government measures to support China's economy.

The recovery in iron ore prices since March has occurred despite weak steel production in China (down 7.8% and 7.2% year-on-year in March and April, respectively). Following a fall in China's port-side iron ore inventories (to around 20% below historic averages in the December quarter 2023) stockpiles have been rebuilt to levels above the long-run average.

Historical Gold Price (below)



Source: https://tradingeconomics.com/commodity/iron-ore

Demand and price outlook

Premiums for high-grade iron ore products fell in the early part of 2024, as mills sought to reduce operating costs. However, a recent pickup in profitability has seen a modest turnaround, with premiums for 65% pellet recovering in April.

New infrastructure investment in China, as well as new measures by the Chinese government to alleviate weakness in the domestic property sector, should provide support for construction activity — and hence steel and iron ore demand — over the next few years.

Global (ex-China) steelmaking has a slightly healthier outlook for 2024, with growth forecast to exceed 4.5%. European steel mills are expected to make up some of the production lost when high energy prices in 2022 led to widespread plant idling and production stoppages.

Over the next two years, a modest rise in iron ore imports is expected by major purchasers in Europe, North America, East and South-East Asia and the Middle East. This pickup should provide support for iron ore demand and prices.
Overall, risks to the global iron ore demand outlook remain broadly balanced. Inflation is gradually coming down towards target levels in most advanced nations, with market expectations of interest rate cuts in the December quarter 2024. The IMF expects growth in China's economy of 5.0% in 2024 moderating to 4.5% in 2025 and 4.1% in 2026 as part of the longer- term shift to a slower growth trajectory. However, the IMF warns that China's property sector remains a downside risk, and without a comprehensive response, growth could falter, hurting its trading partners.

Australian output moderated in March quarter due to wet weather and maintenance

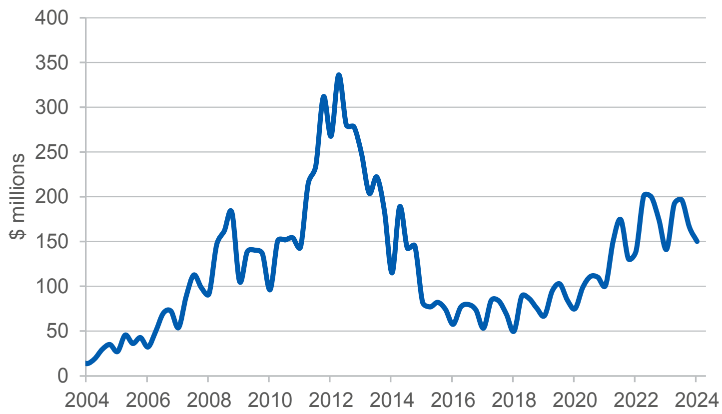
Australia's iron ore export earnings were $34.4 billion in the March quarter 2024, a 4.5% (or $1.5 billion) increase year-on-year. The increase reflected higher iron ore prices over the period, with the unit export price in the March quarter 2024 6.8% higher compared with the previous year. Export volumes fell by 2.1% year-on-year in the March quarter 2024.

In volume terms, Australia exported 211 million tonnes of iron ore in the March quarter 2024, down 4.6 million tonnes year-on-year. The weaker exports in the March quarter 2024 reflect a combination of weather disruptions and maintenance and capital works at key operations.

Australia's iron ore shipments in April were affected by closures to Rio Tinto's Dampier and Walcott ports, due to Cyclone Olga and disruptions to loadings at Port Hedland.
Over the outlook period to end 2026, Australia's iron ore production volumes are projected to increase by 2.3% a year over the next two years, to reach an estimated 1,015 Mt by 2025-26.

Exploration fell in 1Q 2024

A total of $150.3 million was spent on iron ore exploration in the



Source: ABS (2024) Catalogue 8412.0

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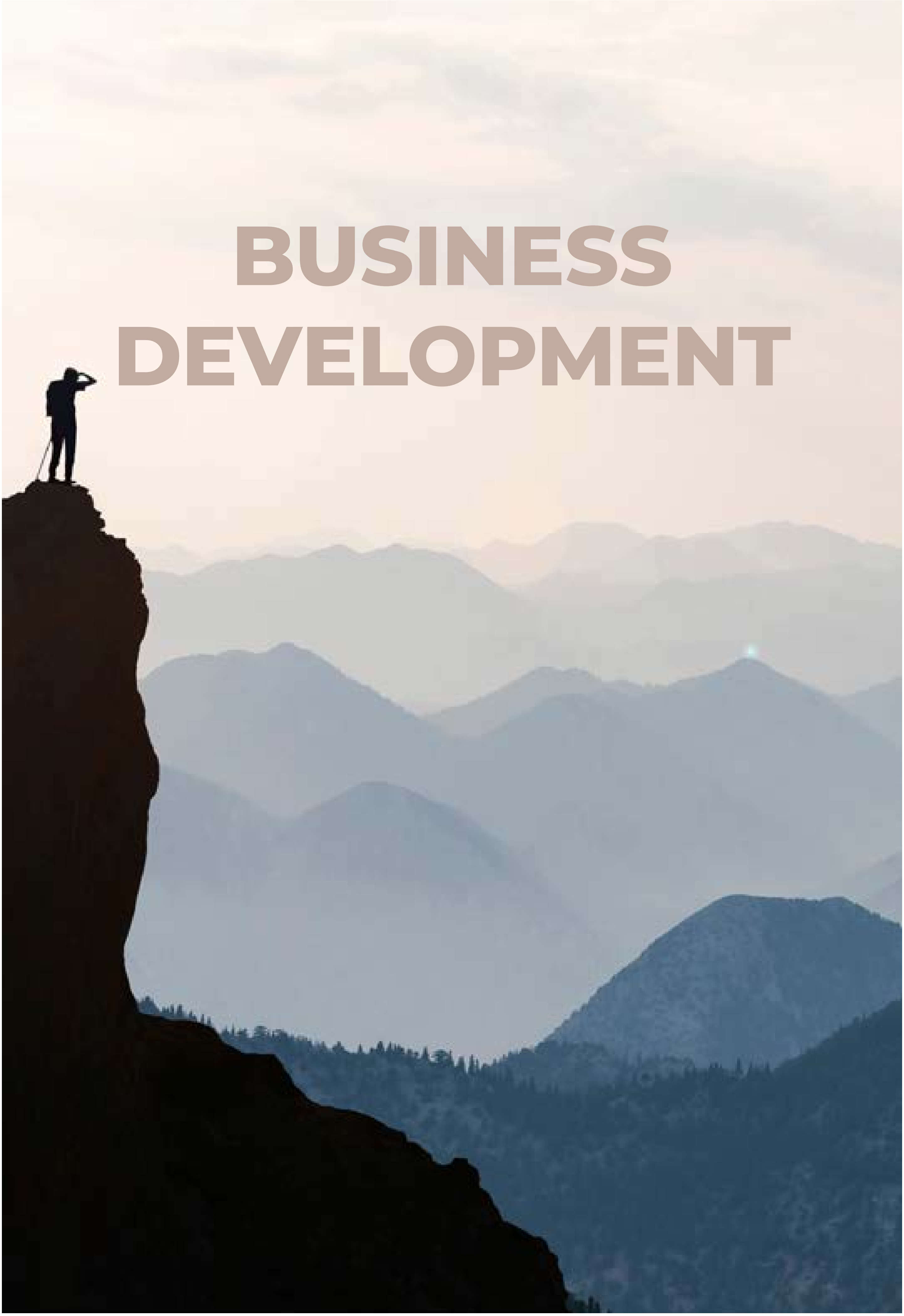
This was 9.6% lower compared to the previous quarter, and 6.3% higher than the same period in 2023. Exploration has eased from near decade highs in 2022. However, the latest results continue the broad upward trend in iron ore exploration triggered by the historical high iron ore prices (of above US$200 a tonne) in early 2021.

Source: https://www.industry.gov.au/publications/resources-and-energy-quarterly-june-2024


BUSINESS
DEVELOPMENT

BUSINESS DEVELOPMENT

Business Update

In Fiscal year 2024, we have continued to reduce the cash burn and streamline our operations to achieve the most efficiency. Key technical objectives have been achieved in the development of our assets in Australia.

Following the extensive technical work realized earlier in the year, we submitted a Programme of Work for our license at Moolyella in June 2024. The Programme of Work was subsequently approved by DEMIRS in August 2024 and drilling will be scheduled in due course.

At Kingston Keith we completed the negotiation of an Exploration Agreement with Tjiwarl Aboriginal Corporation, which paves the way to exploration ground activities in the Southern part of our license. Negotiations have now started with TMPAC that covers the Northern part of our license, which we hope to complete within the next few months. This will facilitate the discussions we are having with parties looking to partner with us on the project, given Kingston Keith has shown prospectivity for both lithium and gold. In particular, given the continued downturn in lithium prices, availability of capital to invest in lithium project is currently reduced. But with gold prices at all time highs and Kingston Keith being located in the sweet spot of Western Australia's gold district, we have decided to dedicate more capex dollars to firming up this project's gold potential.

Separately, we have reviewed an number of early stage projects in the course of the year but have not yet decided to make new investments as we remain very selective.

Business Activities

The Company's focus is on (majority) acquisitions in mineral exploration companies and properties, mostly located in developed countries that have the most attractive mining jurisdictions, with a specific focus on battery metals, copper, iron ore and gold deposits.

In financial year 2020 the Group started its activities in the raw material sector and is in the early stage of exploration activities which continued through to mid 2024.

The current business activities of SunMirror Group consist merely of exploration (i.e., the search for and development of economically viable reserves of mineral resources) and holding rights for potential royalties in this sector. Subject to a successful exploration program SunMirror Group also plans to be active in the field of the development, mining, and extraction of mineral resources in the future.

Objectives and Strategies

SunMirror pursues an opportunistic acquisition strategy of new exploration and operating assets. All current projects are held 100% by the Group. The Group's strategy is to acquire primarily sole ownership or controlling interests (save for potential royalty opportunities). Any decision on the acquisition of additional exploration and operating assets will only be made after successful due diligence, negotiations/commercial agreement and securing any required financing.

SunMirror pursues discussions with various potential partners that could participate in the development of its projects with carries and milestone-based earn-ins. This approach will contribute to SunMirror ability to diversify its portfolio of assets.

SunMirror seeks to acquire mineral assets that have seen at least some work from the previous owners and operators. This partial de-risking strategy provides SunMirror with baseline information to estimate the potential likelihood of encountering further encouraging results, as well as a starting point from which to direct the next phases of work; and consequently, reduce the risk of SunMirror not being able to deliver attractive prospects for the projects.

The Company's strategy is to invest into exploration and mining assets with a focus on metals critical for the fast-growing European green technology industry such as cobalt, copper, gold, lithium, nickel, and tin. The focus is furthermore on assets located in stable, low risk jurisdictions, e.g., Australia, Europe and possibly select African countries. By focusing on mineral assets in these more mature jurisdictions, management of SunMirror tries to avoid typical expropriation and political risk associated with mineral assets in more challenging countries.

Research and Development

Since the business model of SunMirror does not require any research and development activities, it can mainly operate adopting commonly used best practices in its core business areas, and as such there are no current research and development activities apart from its ongoing mineral exploration programs.

Operating Activities

The Group invests into exploration and mining assets with a focus on critical metals relevant for the European industry. The Group continues to advance its exploration assets and with the aim to eventually operate multiple mines and processing plants. Currently, the Group holds 3 assets in Western Australia:

- **Moolyella:** The Group holds an exploration licence (E 45/5573) granted on 23 December 2020 for a term of five years for an area of approximately 93 square kilometers in Moolyella, located in North-western Australia, which the Group believes has a robust potential for lithium-bearing pegmatites as well as tin, tantalum and rare earths.

  The property is an early-stage exploration project with no JORC-compliant mineral resources defined as yet, except for a historic JORC-compliant resource on tin and tantalum published by a previous operator, LitheX Resources Limited, on the 2 nd March 2012.

  At the beginning of June 2023, Terra Search Pty Ltd (a mineral exploration services and geology company based in Perth, was engaged to collect up to 3,500 soil samples over the priority 1 target areas identified by SGC. The sampling work was completed by the end of July and the results interpretation completed by October 2023 identified several areas with high grade lithium in soil values.

  In October 2023 a 7-day field visit was completed by Geonomik Pty Ltd to check the location of these high-grade lithium in soil locations. Significant pegmatite swarms were identified, some up to 2 km in length and up to 15 meters wide. Some of the pegmatites identified represent the continuation of lithium-bearing pegmatites extending from adjacent tenements into the Moolyella licence.

  62 rock samples were collected on the 7-day visit and sent off for analysis at ALS laboratories. The top five best samples returned lithium values of 2.185% Li 2O, 1.296% Li 2O, 1.001% Li 2O, 0.956% Li 2O and 0.797% Li 2O. To put these grades into context, Global Lithium Resources Limited (which surrounds our licence on three sides) reported an upgraded JORC 2012 Mineral Resource of 18.0 million tonnes at 1% Li 2O on its Archer lithium deposit in December 2022.

In April 2024, a 5-day Heritage Site was completed by Geonomik Pty Ltd in conjunction with the Nyamal Aboriginal Corporation (NAC), the traditional landowners of the ground in the Moolyella licence area. The purpose of the visit was to review proposed drill site locations targeting lithium-bearing pegmatites and assess whether they were in culturally sensitive areas. A total of 5km 2 of ground was carefully covered on foot and 88% of the ground (4.4km 2) was cleared for drilling.

Following a review of the areas cleared for drilling by the NAC's site visit, the Company submitted a Programme of Work (PoW) to the Department of Energy, Mines, Industry and Regulation (DEMIRS) on the 7 th June 2024 for up to 495 reverse circulation (RC) drill hole sites.

Following a review of the PoW (supported by a copy of the Company's Moolyella Exploration Environmental Management Plan), the PoW was formally approved by the DEMIRS on 13 th August 2024.

Scheduling the drilling of these targets will depend on the state of the lithium market, which is currently in over supply with depressed prices, which also impacts availability of capital. Given the PoW has been approved, the Company stands ready to action the drilling programme at an opportune time.
Paperwork to renew the licence will begin 3 months before the licence come up for renewal on the 22nd December 2025. The company does not expect any problems with the renewal process as it has complied fully with all conditions associated in keeping the licence in good standing.

- **Kingston-Keith:** The Group holds an exploration licence (E 53/1953) granted on 9 March 2020 for a period of five years for an area of approx. 152 square kilometers in the Kingston-Keith/Mt. Keith area, situated in a prolific gold and nickel production district in central Western Australia, which the Group believes have good potential for gold, lithium and potentially nickel. The property is an exploration project with no JORC-compliant mineral resources defined as yet.

In July 2023, Southern Geoscience Consultants (SGC) were contracted to produce a structural interpretation of the bedrock geology within the Kingston Keith license based on the MAGSPEC airborne magnetic data that was commissioned by the Company and flown in January 2023. SGC's interpretation was aided by processing and imaging of this data and was constrained by geological data derived from previous mapping and field work across the region. Their resulting interpretation has provided the Company with a 1:20,000 scale base map across the project area revising previous government mapping and interpretations.

SGC's structural interpretation formed the basis for a target generation program, and 23 targets were identified to focus future exploration efforts. Their targets are based on interpreted presence of lithologies, structures, sites of alteration and geochemical anomalies, that may be more favourable to host gold or lithium mineralization.

The interpretation delineates major and minor structural features, cross-cutting dykes, and different magnetic units. Significant subtle internal variation was observed within the mafic basalts which could suggest sites of possible faulting. Given the high level of structural complexity and extensive cover, further geological analysis would be required to confirm some structures, intrusions and lithologies, or further refine the interpretation. The Company considers this interpretation as a live dataset to be reviewed and updated as new geological information becomes available.

In total, 23 target areas were identified by SGC as having potential for gold or lithium mineralization. Their target areas were based on a set of criteria including one or more of the interpreted presences of key lithologies, structures, elevated previous mapping, mineral occurrences and / or sites of alteration.

Whilst not as many lithium-specific targets were generated by the SGC study (compared with SGC's Moolyella licence study), the Kingston Keith licence area has primarily been explored for gold and nickel in the past, and as such there is little information on any historic lithium exploration to use for targeting purposes.

The 23 gold and lithium targets will now be assessed and followed up with further work which may include mapping, soil sampling, geochemistry, integration with additional ground or airborne geophysics, or drilling.

In April 2024, the Company signed and Exploration Agreement with the Tjiwarl Aboriginal Corporation (TAC), the traditional landowners of the ground covering the southern half of the licence. This agreement paves the way for the Company to carry out physical exploration work on the ground. The Company is also negotiating a similar agreement with the TMPAC Group who are the traditional landowners covering the northern half of the licence, which should be concluded before year end, and would allow the Company to carry out physical exploration work within the northern half of the licence.

The Kingston Keith licence is due for renewal on the 8th March 2025, and the required paperwork to complete the renewal is already underway. As all conditions associated with keeping the licence in good standing have been complied with, the Company does not envisage any problems with the licence being renewed.

- **Cape Lambert:** The Group holds a royalty on future mine production from the MCC Australia Sanjin Mining Pty Ltd ("MCC")'s retention licence (R 47/18) on their Cape Lambert magnetite project covering an area of approximately 84 square kilometers in the Cape Lambert region in Western Australia (and more broadly on the territory covered by defunct licence E47/1462). This is a passive holding investment held by the Group.

  The Group does not expect any royalties from the project in the short-term. This expectation is based on the following assumptions: Currently, MCC holds a so-called retention licence for the Cape Lambert project. A retention licence is a licence at an intermediate licencing stage between exploration licence and mining lease, which allows the holder to retain but not to develop a mining project, e.g., because of pending commercial feasibility or the development of required transportation infrastructure.

  The Group may look at selling its royalty if approached by a third party offering a fair value. The maximum licence term for a retention licence is 10 years

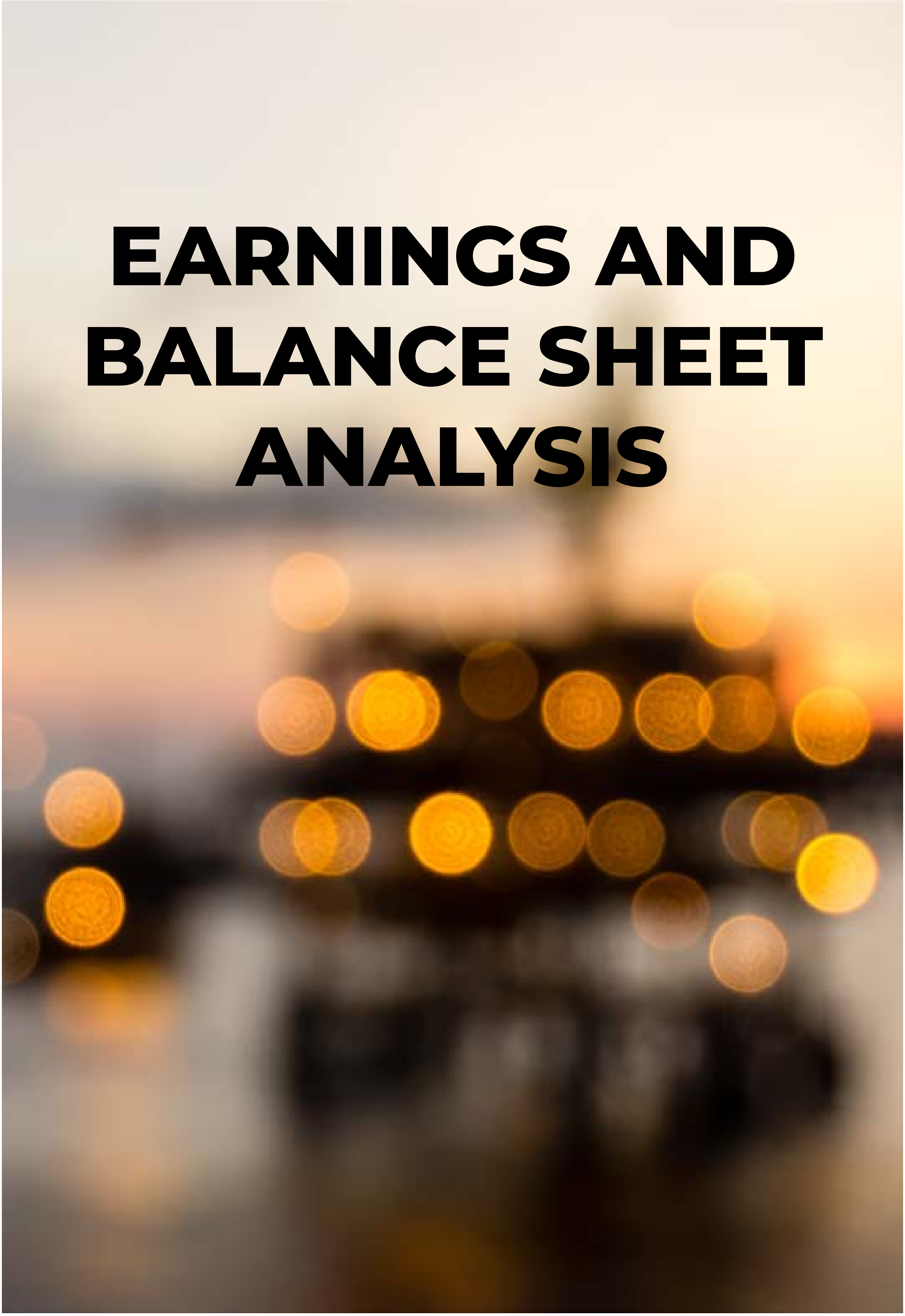
The Group assets of the company, located at Moolyella and Kingston Keith are at an exploration phase and do not produce any revenue for the time being. A pre-feasibility study was completed by MCC on the Cape Lambert magnetite project, but has not yet placed it into production. The Group expects that production at MCC's Cape Lambert mine will not start in the short term.

A minimum exploration budget for the fiscal year 2024 of roughly USD 0.2 million is estimated for the company's Australian projects. This amount is subject to continuous review by the Board and is dependent on positive results generated from ongoing exploration work.

Acquisitions

The Group continues to be on the lookout of acquisition or partnership opportunities to complement its portfolio of assets in Australia with a focus on other developed countries and/or select African countries. Some discussions are taking place with companies looking to combine or sell assets

EARNINGS AND BALANCE SHEET ANALYSIS



EARNINGS AND BALANCE SHEET ANALYSIS

Basis of Preparation

The statutory financial statements of SunMirror AG for the twelve months ended 30 June 2024 (reporting period or financial year 2024) have been prepared on a going concern basis in accordance with the provisions of the Swiss Code of Obligations (CO), commercial accounting and financial reporting (Art. 957 ff. CO).

Revenue

SunMirror AG did not generate any revenues or receive any dividends from its subsidiaries in the financial year 2024 or in the prior-year period 2023.

Personnel expenses

CHF	2024 (12 months)	2023 (12 months)
Wages and salaries	-652,414	-772,236
Social security	-13,788	-36,935
Pension plan	-1,848	-11,632
Other personnel expenses	-9,551	-12,617
Total	**-677,601**	**-833,420**

Personnel expenses decreased to CHF 0.7 million in the 2024 financial year (2023: CHF 0.8 million) and the number of full-time equivalents (FTE) fell further from an average of 3.2 FTE in the previous year to 2.0 FTE in the 2024 financial year.

General and administrative expenses

CHF	2024 (12 months)	2023 (12 months)
Rent	-5,863	-4,472
Insurances, duties, fees, permits	-36,609	-34,163
Energy and disposal	0	-644
Administration and IT	-15,381	-8,718
Accounting and consolidation	-70,186	-265,086
Business consulting	-2,398	-138,755
Legal and tax consulting	-45,880	-559,352
Regulatory expenses	-60,532	-197,444
Board of Directors and General Meeting	-4,965	-22,592
Auditing fees	-145,137	-337,867
Investor Relations	-48,173	-241,681
Sundry operating expenses	-12	0
Total	**-435,136**	**-1,810,774**

General and administrative expenses decreased by 76.0% (CHF 1.4 million) in the 2024 financial year and amount to CHF 0.4 million (2023: CHF 1.8 million).

The consulting agreement with Opus Capital Switzerland AG (renamed Calym AG, in liquidation) was terminated in the last financial year. No further costs were incurred from this consultancy agreement in the 2024 financial year.

The cost of legal and tax advice were reduced considerably as no further legal cases were brought to SunMirror AG.

There were no new business transactions in the 2024 financial year and the change of auditor as well as the reduced scope of business led to significantly lower accounting, consolidation and auditing costs. The costs for regulatory expenses and investor relations were also significantly lower, as the company's activities in the financial year were mainly focused on existing assets.

Depreciation, amortization and impairment

CHF	2024 (12 months)	2023 (12 months)
Impairment of financial assets	0	-1
Amortization intangible assets	-2,390	-2,392
Total	**-2,390**	**-2,393**

The regular amortization of intangible assets relates to the purchased domains.

Financial income

	CHF 2024 (12 months)	2023 (12 months)
Interest income	58,169	12,147
Gains on marketable securities - realized	0	40,186
Gains on currency translation - realized	99,994	602,522
Gains on currency translation - unrealized	2,149	3,897
Total	**160,312**	**658,752**

Financial income decreased by 75.7% (CHF 0.5 million) to CHF 0.2 million in the 2024 financial year (2023: CHF 0.7 million). In the 2024 financial year, financial income resulted primarily from interest income on cash and cash equivalents and receivables as well as from exchange rate gains.

Financial expenses

	CHF 2024 (12 months)	2023 (12 months)
Interest	-17	-178,978
Bank fees	-18,778	-29,771
Losses on currency translation - realized	-158,165	-163,536
Losses on currency translation - unrealized	-77,586	-318,767
Total	**-254,546**	**-691,052**

Financial expenses were reduced by 63.2% (CHF 0.4 million) to CHF 0.3 million in the 2024 reporting year (2023: CHF 0.7 million). Financial expenses in the 2024 financial year mainly resulted from exchange rate losses and bank fees. There were no more interest expenses for debt instruments in the 2024 financial year.

Extraordinary, non-recurring or out-of-period income

In the 2024 financial year, SunMirror AG recognized prior-period income in the total amount of CHF 0.1 million (2023: CHF 0.4 million). In the 2024 financial year, this income resulted from a successful reclaim of a lump-sum fee recognized as an expense and the reversal of short-term accruals and deferrals that were no longer required.

Extraordinary, non-recurring or out-of-period expenses

In the 2024 financial year, SunMirror AG recognized prior-period expenses totalling CHF 0.2 million (2023: n/a). These expenses arose from a subsequent intercompany billing of a subsidiary.

Direct taxes

SunMirror AG did not generate any taxable profits in the reporting period or in the prior-year period. The accumulated losses carried forward of CHF 16.7 million as of 30 June 2023 increased further to CHF 18.1 million as of 30 June 2024. SunMirror AG only paid capital taxes in the reporting period as well as in the previous year.

Cash flow Statement

As SunMirror (Group) has prepared its consolidated financial statements in accordance with IFRS as issued by the IASB, it does not prepare a cash flow statement in accordance with the law.

Assets

	CHF 30 June 2024	CHF 30 June 2023
Cash and cash equivalents	1,864,724	3,560,617
Other current receivables	408,768	7,975,153
Prepaid expenses and accrued income	36,892	39,060
Total current assets	**2,310,384**	**11,574,830**
Financial assets	8,435,477	709,458
Participations	1,175,000	1,175,000
Intangible assets	2,794	5,184
Total non-current assets	**9,613,271**	**1,889,642**
Total assets	**11,923,655**	**13,464,472**

Total assets decreased by 11.4% (CHF 1.6 million) to CHF 11.9 million as at the end of June 2024 (June 2023: CHF 13.5 million).

Cash and cash equivalents decreased primarily due to capital expenditure at the subsidiaries and the operating expenses incurred in the 2024 financial year.

In other current receivables, an intercompany loan was reclassified as financial assets (non-current assets) as at 30 June 2024, as a scheduled intra-Group restructuring will not be implemented for the time being.

Non-current financial assets mainly reflect intercompany receivables from direct and indirect subsidiaries. The participation shows the carrying amount of the direct investment in SunMirror Luxembourg S.A. The intangible assets reflect the residual carrying amount of the purchased domains.

Liabilities

	CHF 30 June 2024	CHF 30 June 2023
Trade accounts payable	31,409	67,412
Other current liabilities	4,179	584
Deferred income and accrued liabilities	233,949	375,365
Total current liabilities	**269,537**	**443,361**
Provisions	7,094	6,855
Total non-current liabilities	**7,094**	**6,855**
Total liabilities	**276,631**	**450,216**

Total liabilities were reduced by 38.6% (CHF 0.2 million) to CHF 0.3 million at the end of June 2024 (June 2023: CHF 0.5 million).

Current liabilities

As a result of efforts to further reduce the cost structure of operating expenses, trade payables and accrued expenses were further reduced as at the end of June 2024 compared to the end of June 2023.

Non-current liabilities

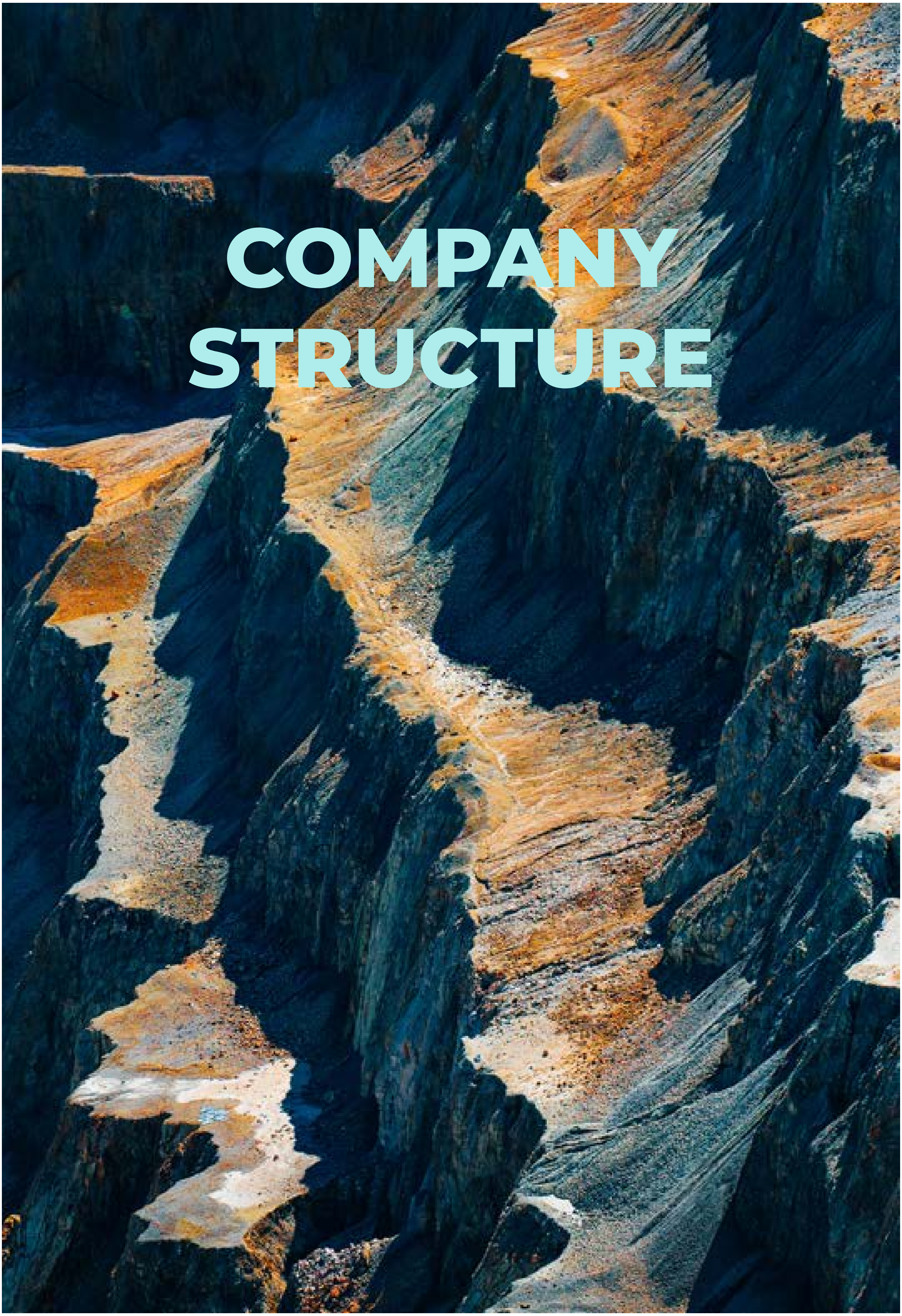
In the 2024 financial year, 8,984 options were allocated (previous year: 8,984 options). However, the expense for the service period was offset by the lower market value of all allocated options as at the reporting date of 30.06.2024, which is why the provision remained virtually unchanged compared to the previous year.

Equity

	CHF 30 June 2024	CHF 30 June 2023
Share capital		
Share capital - opening balance	2,395,755	2,343,221
Capital increase through conversion of convertible notes/ bonds from conditional capital, established on 29.12.2020	0	52,534
Total Share capital	**2,395,755**	**2,395,755**
Number of bearer shares at a nominal value of CHF 1.00 per share issued at end of period:	2,395,755	2,395,755
Statutory capital reserve		
Capital contribution reserve - opening balance	27,343,731	23,539,911
Capital increase through conversion of convertible notes/ bonds from conditional capital, established on 29.12.2020	0	3,803,820
Total Statutory capital reserve	**27,343,731**	**27,343,731**
Statutory retained earnings		
General statutory reserve	92	92
Total Statutory retained earnings	**92**	**92**
Accumulated losses		
Loss carried forward	-16,725,322	-14,396,245
Loss for the year	-1,367,232	-2,329,077
Total Accumulated losses	**-18,092,554**	**-16,725,322**
Total equity	**11,647,024**	**13,014,256**

Shareholders' equity decreased by 10.5% (CHF 1.4 million) to CHF 11.6 million at the end of June 2024 (June 2023: CHF 13.0 million). At the end of June 2024, the Company had an equity to asset ratio of 97.7% (June 2023: 96.7%).

COMPANY STRUCTURE



COMPANY STRUCTURE

Registered Office, Financial Year, Duration of the Company, Corporate Purpose

SunMirror AG is a stock corporation (Aktiengesellschaft) incorporated and operating under Swiss law. Its registered office is in Zug, Switzerland and it is registered with the commercial register office of the canton of Zug under CHE 395.708.464.

The Company‘s address is General-Guisan-Strasse 6, 6300 Zug, Switzerland, telephone number +41 43 505 14 00. The Company‘s website is www.sunmirror.com.

The Company‘s legal name is „SunMirror AG“. The Company and its subsidiaries operate on the market under the commercial name „SunMirror“. The Company is established for an unlimited period of time. The Company‘s legal entity identifier (LEI) is 894500R3EZWT4CYDM933. The financial year of the Company runs from 1 July of a calendar year until 30 June of the next calendar year.

According to Article 2 of the Company‘s Articles of Association, the statutory purpose of the Company is to promote the long-term value of the subsidiaries, affiliated companies or participation through uniform administration and centralized services and to provide the associated financing. In addition, the Company may buy, sell, broker, manage and exploit real estate, securities, participations and intellectual property rights, establish subsidiaries and branches in Switzerland and abroad and carry out all commercial activities related to the purpose of the Company.

The Creation and Historical Development of the Company

The Company was first incorporated under the name Dynastar AG on 24 September 2014 with its registered office in Erlenbach ZH, Switzerland, and was registered with the commercial register office of the Canton of Zurich under CHE-395.708.464.

In 2018, the Company's shares were admitted to listing on the regulated unofficial market segment (Freiverkehr) of Düsseldorf Stock Exchange (Börse Düsseldorf).

On 31 August 2020 the Company's general meeting resolved to acquire all shares of Couno Resources S.A. (today, SunMirror Luxembourg S.A. – „SunMirror Luxembourg") by means of a contribution in kind, to change the Company's name to SunMirror AG and to move its registered office from the Canton of Zurich to the Canton of Zug. The acquisition of SunMirror Luxembourg was completed on 7 September 2020.

Thereby, also the subsidiaries of SunMirror Luxembourg, Lithium 1, and Pharlap, became part of the Group, resulting in the structure prodived below.:

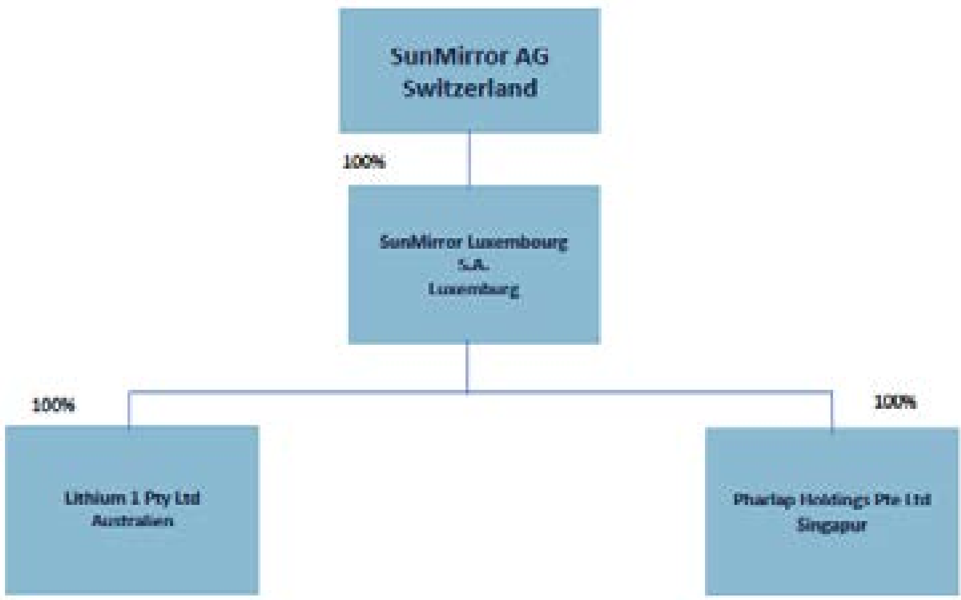
SunMirror Luxembourg acquired all shares of Lithium 1 by means of a share purchase agreement dated 14 February 2020. Lithium 1 is an Australian company which holds exploration licences for the tenements Moolyella (Lithium) and Kingston-Keith (Gold and Nickel), both located in Western Australia.

SunMirror Luxembourg acquired all shares of Pharlap by means of a share purchase agreement dated 12 August 2020, amended on 18 December 2020. Pharlap is a Singapore company whose main asset is composed of a royalty agreement relating to future royalties payable in relation to the Cape Lambert magnetite project.

On 30 November 2020, the Shares were included for trading on the Vienna MTF (market segment direct market) of Vienna Stock Exchange (Wiener Börse).

On 26 November 2021, the Listed Shares were admitted to trading on the Official Market (Amtlicher Handel) of the Vienna Stock Exchange (Wiener Börse), a regulated market pursuant to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended (Markets in Financial Instruments Directive II – „MiFID II").

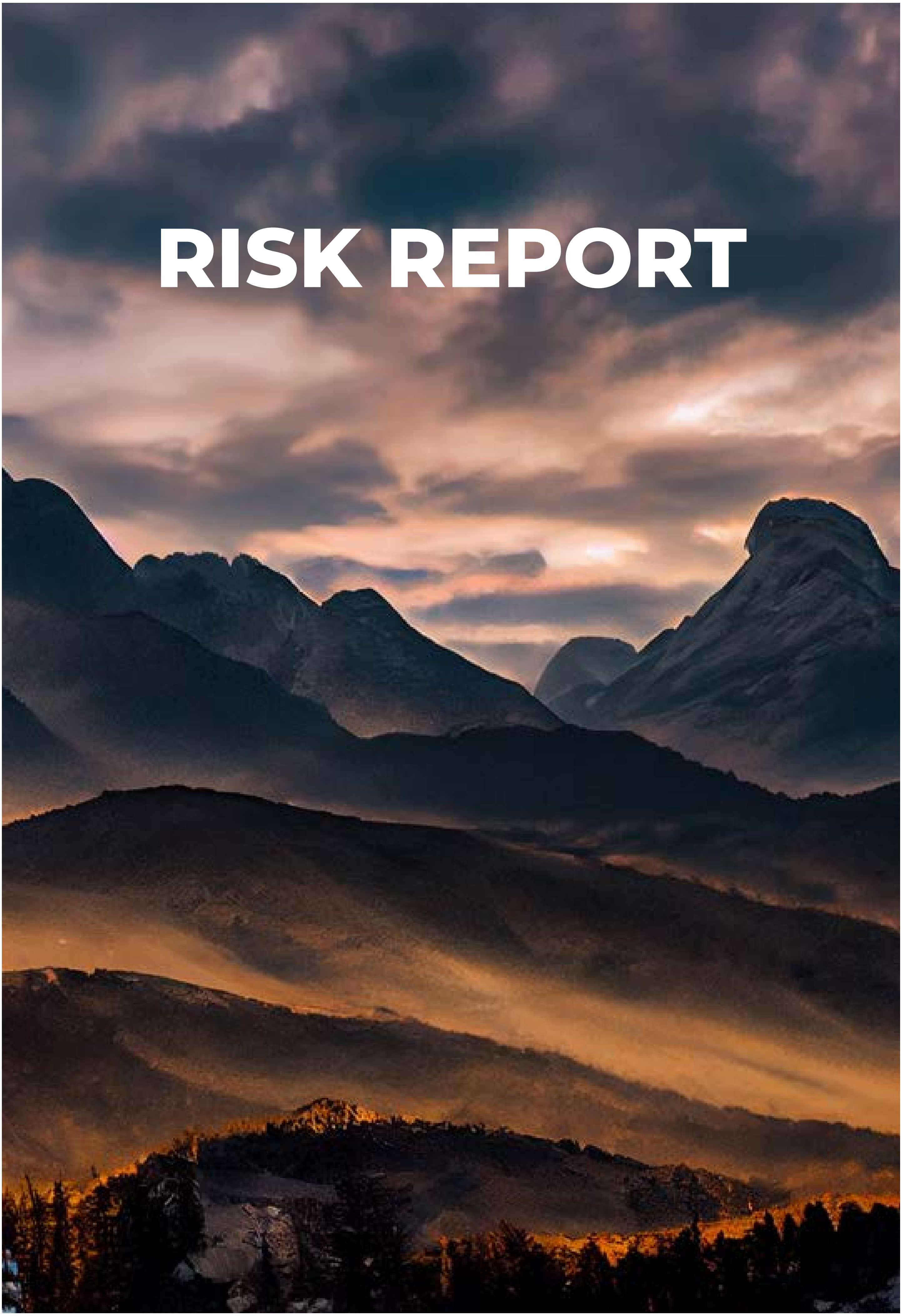
In January 2024, trading of SunMirror AG shares seized on the Düsseldorf and Frankfurt stock exchanges. Sunmirror AG shares can only be traded in auction trading on the Vienna Stock Exchange.



Significant subsidiaries

The significant subsidiaries of the Company are (i) SunMirror Luxembourg S.A., incorporated in Luxembourg, (ii) Lithium 1 Pty Ltd, incorporated in Australia, and (iii) Pharlap Holdings Pte Ltd, incorporated in Singapore. The Company holds, directly or indirectly, 100% of all shares and all votes in each such company.

RISK REPORT



RISK REPORT

Business related Risk factors

The Company is a start-up company with no operating history and has not generated cash inflows as yet and will continue to be dependent on equity or debt funding at acceptable conditions in order to finance its business activities. The establishment of completely new business activities may fail, especially against the background of SunMirror's focus on mineral exploration companies, however the company aims to mitigate this risk by hiring relevant experienced industry personnel and conducting exploration with the objective of establishing mineral resources.

There is significant risk in the identification and proving up resources. While as of today no drilling has been done, there is no guarantee that future drilling programs will be successful. This means that there is a substantial risk that drilling may outline a lower tonnage or grade resource, which would negatively impact our valuation and possibly lead to future impairment of assets and impact the ability of the Company to continue as a going concern.

No asset of the Group is expected to generate revenues in the short term.

The Group's existing exploration assets, the Moolyella project and the Kingston-Keith project, are expected to take at least until 2027 and 2028 before they can be turned into producing mines, provided exploration efforts show the envisaged results of proving up a viable resource, obtaining a mining licence and funding to construct an operating mine. Until such stage, even in case of successful exploration such assets will require further investment but will not generate revenues in the short-term.

For the short-term, the Group will be dependent solely on equity and equity-linked funding, such as by means of convertible notes, to finance its administration and exploration and development activities. Any funding need may increase in case of delays with exploration efforts or higher than expected costs. If the Group fails to obtain additional funding at all or at reasonable terms, if required, the Group may be forced to sell assets, potentially also in distress, or even to file for insolvency which would result in assets being impaired and potentially additional liabilities being incurred.

In addition, the Group owns via its Pharlap Holdings subsidiary a royalty (the "Royalty Asset") on the Cape Lambert Iron Ore Project owned by MCC. The Royalty Asset is linked to a retention licence and associated revenues rely on the commencement date of the mining operations, which is currently not yet set. Such date is dependent on many factors that are not in control of the Group, including but not limited to commodity prices, MCC business strategy and credit quality, regulation in Western Australia, global macroeconomic dynamics, etc.

Further, any acquisition by the Group of additional exploration assets or companies holding exploration assets will require the Group to obtain sufficient additional funding from its shareholders by means of share capital increases.

Commodity market related Risk factors

The market reacts sensitively to various factors, which is why a market forecast is only possible to a limited extent. Price and interest rate developments, inflation, political and social changes can be identified as driving factors.

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on net income or loss and economic value due to commodity price movements and volatilities. The Company closely monitors long term commodity prices, particularly as they relate to iron ore, base and precious metals, to determine the appropriate course of action to be taken by the Company.

SunMirror actively monitors its risk of a shortage of funds as SunMirror will need extensive funds to finance its future exploration and evaluation activities as well as potential acquisitions. When expenses are denominated in currencies other than the respective functional currencies SunMirror is subject to foreign currency risks. SunMirror manages this foreign currency risk by matching receipts and payments in the same currency and monitoring movements in exchange rates.

In addition, SunMirror might be facing competition from other companies, some of which have considerably higher funds at their disposal for acquisitions or joint ventures. Furthermore, lower market prices for certain minerals could result in SunMirror Group's outlook being less attractive to potential capital providers. A lack of access to capital could restrict SunMirror's ability to finance development of its business. It could also impact the prospects of SunMirror's royalty asset held at Pharlap.

Regulatory Risk factors

The parent company SunMirror AG issues bearer shares instead of registered shares, which is still feasible for publicly listed companies in Switzerland. However, with the global tendency towards issuing registered shares bearer shares may restrict the Group's access to capital in the future.

MCC successfully got the extension of its retention licence to March 2025 approved by Western Australia's department of mines, but further extensions could be refused in due course. The prospect of SunMirror's royalty held at its Pharlap subsidiary to produce any revenues in the future could be impacted if MCC fails to obtain further extensions or relinquishes its license.

New environmental regulations might create additional requirements on mining developments and fossil fuel usage that may have an impact on the future Company's results of operations and financial conditions and particularly its exploration costs. Regulations on fossil fuel usage would also likely create opportunities given the Company's focus on battery metals resources.

In Western Australia, registered Native Title claimants and determined Native Title holders have certain rights under the provisions of the Native Title Act 1993 (Cth) (NTA) future act regime, when governments intend to conduct business such as the granting of mineral tenure that are future acts under the NTA.

The State Government has a policy whereby applicants for exploration licences and prospecting licences will have to sign and offer a Regional Standard Heritage Agreement (RSHA) or prove they have an existing Alternative Heritage Agreement or Exploration Agreement in place. This must happen before the applications are submitted to the NTA Expedited Procedure (Kimberley Region excluded).

RSHAs and Exploration Agreements provide Aboriginal heritage protection and offer all parties with standard fees and procedures for heritage clearances that are at an acceptable standard to industry.

Parts of the Moolyella and Kingston Keith exploration licences are covered by heritage claims and the company is in close dialogue with the aboriginal groups concerned. An RSHA has been concluded with the Nyamal Aboriginal Corporation covering the Moolyella licence area, and an Exploration Agreement has been signed with the Tjiwarl Aboriginal Corporation (the relevant Native Title Group in the southern part of the Kingston Keith licence area). Discussions on an Exploration Agreement with the TMPAC Group (the relevant Native Title Group in the northern part of the Kingston Keith licence area) are underway and should be completed before the end of the year. Lithium 1 had the Kingston Keith exploration licence granted to it in 2020 once the National Native Title Tribunal Member determined that the tenement could be granted as the expedited procedure did not apply and held that there were no places or sites of particular significance in the tenement area. Accordingly, the Company does not need to enter into any new agreement with the relevant Native Title Groups, but the Company has agreed to sign an Exploration Agreement voluntarily as an indication of respect for, and acknowledgement of, the TAC, the TMPAC and the associated Native Title Holders..

New laws designed to avoid a repeat of the destruction of an ancient Indigenous site by resources giant Rio Tinto were introduced by the Government of Western Australia when it released the Aboriginal Cultural Heritage Act 2021 (WA), which came into force on the 1st July 2023. The new Act, which was to replace the Aboriginal Heritage Act 1972 (WA) proved hugely controversial and on the 8th August this year, just weeks after being introduced, the WA Premier announced the repeal of the new Aboriginal Cultural Heritage Act 2021 (WA) and a return to the original Aboriginal Heritage Act 1972 (WA). As such it is business as normal for the Groups projects in Australia.

The Austrian Financial Reporting Enforcement Panel (AFREP) has audited our financial reporting and the annual financial statements for 2021 and 2022. The audit started in December 2022 and the results were communicated in October 2023. In this letter dated 9 October 2023, AFREP concluded that our accounting was incorrect. AFREP confirms the classification of the royalty on Cape Lambert as an intangible asset, but concludes in the subsequent measurement that the impairment test should have been performed annually according to the provisions of IAS 36.10 lit. a. In summary, AFREP is of the opinion that the Royalty Asset cannot be classified as an asset in accordance with IFRS 6.

Following thorough consultation with our advisors, the Board of Directors of SunMirror does not share AFREP‘s assessment and has therefore disagreed with the audit findings. A valuation of the Royalty Asset prepared in the meantime by an external expert concludes that, based on the assumptions made, the current value of the Royalty Asset supports the carrying amount. Thus, regardless of the impairment assessment, there is no deviation in the subsequent measurement under either IAS 36 (AFREP perspective) or IFRS 6 (SunMirror perspective). The proceedings have now been forwarded by AFREP to the Austrian Financial Market Authority (FMA), which will form an independent opinion on this matter. The proceedings had started but had not been concluded at the time this management report was prepared.

Irrespective of the FMA‘s decision, the Board of Directors does not expect any impact on the figures published in the consolidated financial statements.

Source: https://www.dmp.wa.gov.au/Minerals/Native-Title-Act-Process-5548.aspx

Legal Risks

The SunMirror Group is exposed to legal risks through its business and financing activities. The Sunmirror Group enters into contracts with suppliers, contractors, and other counterparties that may give rise to disputes and claims. The Group may also have claims against counterparties that it may decide to pursue and that may give rise to significant legal costs before a successful outcome, if any, were to occur. The Group has in-house expertise to handle such risks with the assistance of a number of outside legal advisors in the various jurisdictions where it operates or has business relationships. The Group also carefully monitors its own compliance with legal agreements to minimise the risk of legal disputes in the future.

The Company has been in a dispute with the holders of the former 52'534 mandatory convertible notes ISIN CH1142529093, which were issued in December 2021 and were automatically converted into SunMirror shares on 20 December 2022 at a price of EUR 75 per share. The noteholders have disputed the conversion of their notes. The Company considers that the notes were rightfully converted to shares and fundamentally disagrees with the noteholder's allegations. On this basis and given the current facts, the Company is of the opinion that the claims are unfounded and does not recognize any provision or contingent liabilities in connection with this dispute. At a conciliation hearing in March 2023, no settlement was reached. Following such conciliation hearing the noteholders failed to file a claim in Swiss courts within the applicable deadline. In order to file a claim, the noteholders would have to start the process again and request a new conciliation meeting. There have been no further developments on this matter since March 2023.

The Company has received complaints on behalf of two shareholders, claiming that the directors of the Company act(ed) in violation of their fiduciary duties by not taking legal action against Mirador FZE for failing to pay in the issue price for all shares subscribed by Mirador FZE at the end of 2021, in a planned capital increase of the Company to fund the acquisition of Latitute 66 Cobalt Limited. The board of directors of the Company considered the issue in spring 2022 and, after taking out summary legal advice in the UAE, decided not to take legal action. The current Board of Directors is currently reassessing the issue with the advice of outside counsel. While this review is still ongoing, there are so far no indications that the assessment of the former Board of Directors was inadequate or should be reversed.

Inflation, interest rate and economic growth risks

The significant increase in inflation globally could put pressure on the Group's costs. Fortunately, the Group has limited exposure to inflation as most of its costs are contracted under medium to long term contracts. The Group has limited exposure to materials and energy costs in its exploration activities but wage inflation and the scarcity of human resources in the space could lead to cost increases.

Further, central banks globally are fighting inflation with steep increases in interest rates. This could result in scarcer and/ or more expensive access to capital which could in turn result in acquisitions and capex activities being more challenging to complete.

Finally, the increase in interest rate is likely going to dampen global economic growth in the medium term. This could result in reduced demand for the commodities that the Group looks to produce. However, production will occur in a longer timeframe.

Separately recession could impact MCC's plans to develop the Cape Lambert Iron Ore Project, which would postpone the date by which the Royalty Asset could produce revenues.

Accounting, Control and Risk Management Process

Corporate Accounting comprises those activities that are necessary to prepare annual financial statements and consolidated financial statements in compliance with the law and IFRS.

STRUCTURE OF ACCOUNTING

The accounting function in the SunMirror Group comprises the accounting departments at local companies and the Corporate Accounting department in Zurich. The local companies draw up financial statements in accordance with local law based on local accounting software. The financial statements are submitted quarterly to Corporate Accounting in Zurich for final clarification and review. The reconciliation of local financial statements to uniform IFRS accounting and valuation principles are performed by the Corporate Accounting department.

CONSOLIDATION

The IFRS financial statements are drawn up in accordance with IFRS accounting and valuation principals as issued by the International Accounting Standards Board (IASB). Local financial reporting data are checked manually by Corporate Accounting (mainly plausibility checks, intercompany reconciliation and reconciliation of financial statements according to local GAAP into IFRS-compliant accounting and valuation). During this process, Corporate Accounting works closely together with external specialists. Consolidation work is done twice a year (annual group financial statements at June 30 and interim condensed group financial statements at December 31).

The overall consolidation process includes checking the consistency of the data transmitted and plausibilisation of the financial statements as a whole. The consolidation is prepared by using a certified professional consolidation software.

To ensure correct and timely completion of the annual report by the publication date, deadlines are set for both the half-year (interim) and the annual financial statements. The entire accounting function is notified of these in good time. In addition to the annual report at the end of each financial year, a half year interim report is published in accordance with IAS® 34 Interim Financial Reporting.

CONTROLS

The accounting function reports to the Chief Financial Officer (CFO). Regular reports to the Board of Directors contain information on the asset capex programmes, expense outlook, potential legal challenges, and opportunities and risks. This ensures ongoing oversight of the internal control system. Existing and potential risks are constantly monitored. This is based on uniform risk guidelines. The management is responsible for implementing these guidelines and ensuring they are observed.

In the SunMirror Group, the annual audit schedule is determined by the Board of Directors based on a proposal by the Corporate Accounting department. Focal areas are examining the effectiveness of the internal control system, compliance with the applicable Reporting Standards and other compliance requirements. The results of audits are presented on a case-by-case basis as they arise to the Board of Directors.

Disclosures in accordance with Section 243a para 1 UGB

SHARE CAPITAL

The share capital of SunMirror AG was CHF 2'395'755.00 as at 30 June 2024 and was divided into 2'395'755 bearer shares with a par value of CHF 1.00 per share each, which are fully-paid in. All shares are equal in terms of their dividend and voting rights.

CAPITAL RANGE

Since 20 December 2023, the company's capital band has been between CHF 2,395,755.00 (lower limit) and CHF 3,593,632.00 (upper limit).

According to Article 3d of the Articles of Association: "The Company has a capital range ranging from CHF 2,395,755.00 (lower limit) to CHF 3,593,632.00 (upper limit). The Board of Directors shall be authorized within the capital range to increase the share capital once or several times and in any amounts or to acquire shares directly or indirectly, until 19th December 2028 or until an earlier expiry of the capital range. The capital increase can be carried out by issuing up to 1,197,877 fully paid-in bearer shares with a nominal value of CHF 1.00 each or by increasing the nominal value of the existing shares within the limits of the capital range.

In the event of a capital increase within the capital range, the Board of Directors shall, to the extent necessary, determine the issue price, the type of contribution (including cash contributions, contributions in kind, set-off and conversion of reserves or of profit carried forward into share capital), the date of issue, the conditions for the exercise of subscription rights and the beginning date for dividend entitlement. In this regard, the Board of Directors may issue new shares by means of a firm underwriting through a financial institution, a syndicate of financial institutions or another third party and a subsequent offer of these shares to the existing shareholders or third parties (if the subscription rights of the existing shareholders have been withdrawn or have not been duly exercised).

The Board of Directors is entitled to permit, to restrict or to exclude the trade with subscription rights. It may permit the expiration of subscription rights that have not been duly exercised, or it may place such rights or shares as to which subscription rights have been granted, but not duly exercised, at market conditions or may use them otherwise in the interest of the Company.

In the event of a share issue the Board of Directors is authorized to withdraw or restrict subscription rights of existing shareholders and allocate such rights to third parties, the Company or any of its group companies: (i) if the issue price of the new shares is determined by reference to the market price; or (ii) for raising equity capital in a fast and flexible manner, which would not be possible, or would only be possible with great difficulty or at significantly less favorable conditions, without the exclusion of the subscription rights of existing shareholders; or (iii) for the acquisition of companies, part(s) of companies or participations, for the acquisition of products, intellectual property or licenses by or for investment projects of the Company or any of its group companies, or for the financing or refinancing of any of such transactions through a placement of shares; or (iv) for purposes of broadening the shareholder constituency of the Company in certain financial or investor markets, for purposes of the participation of strategic partners including financial investors, or in connection with the listing of new shares on domestic or foreign stock exchanges.

After a change of the par value, new shares shall be issued within the capital range with the same par value as the existing shares."

CONDITIONAL CAPITAL

Since 20 December 2023, the company's conditional capital has amounted to CHF 1,197,877.00.

According to Article 3b of the Articles of Association: "The share capital shall be increased, excluding shareholders' subscription rights, by a maximum amount of CHF 1,197,877.00 by issuing a maximum of 1,197,877 bearer shares with a nominal value of CHF 1.00 each, to be fully paid up, through the exercise of conversion and option rights granted to creditors of new bonds or similar debt instruments issued by the Company under one or more participation plans to be established by the Board of Directors. The Board of Directors shall determine the details of the terms of issuance.

Conversion and option rights pursuant to the preceding paragraph must be exercised in writing or in electronic form allowing proof by text. This also applies to the waiver of the exercise of these rights. "

OTHER INFORMATION

As of 30 June 2024, SunMirror AG has a direct stake of 100.0% in SunMirror Luxembourg S.A. and is thus the indirect sole shareholder of Lithium 1 Pty Ltd (Lithium 1). As announced in the Company's ad hoc news dated 1st August 2022, the Company temporarily lost control over Lithium 1. The control was regained on 2nd August 2022, and re-established the 100% ownership of Lithium 1 Pty Ltd by SunMirror Luxembourg S.A.

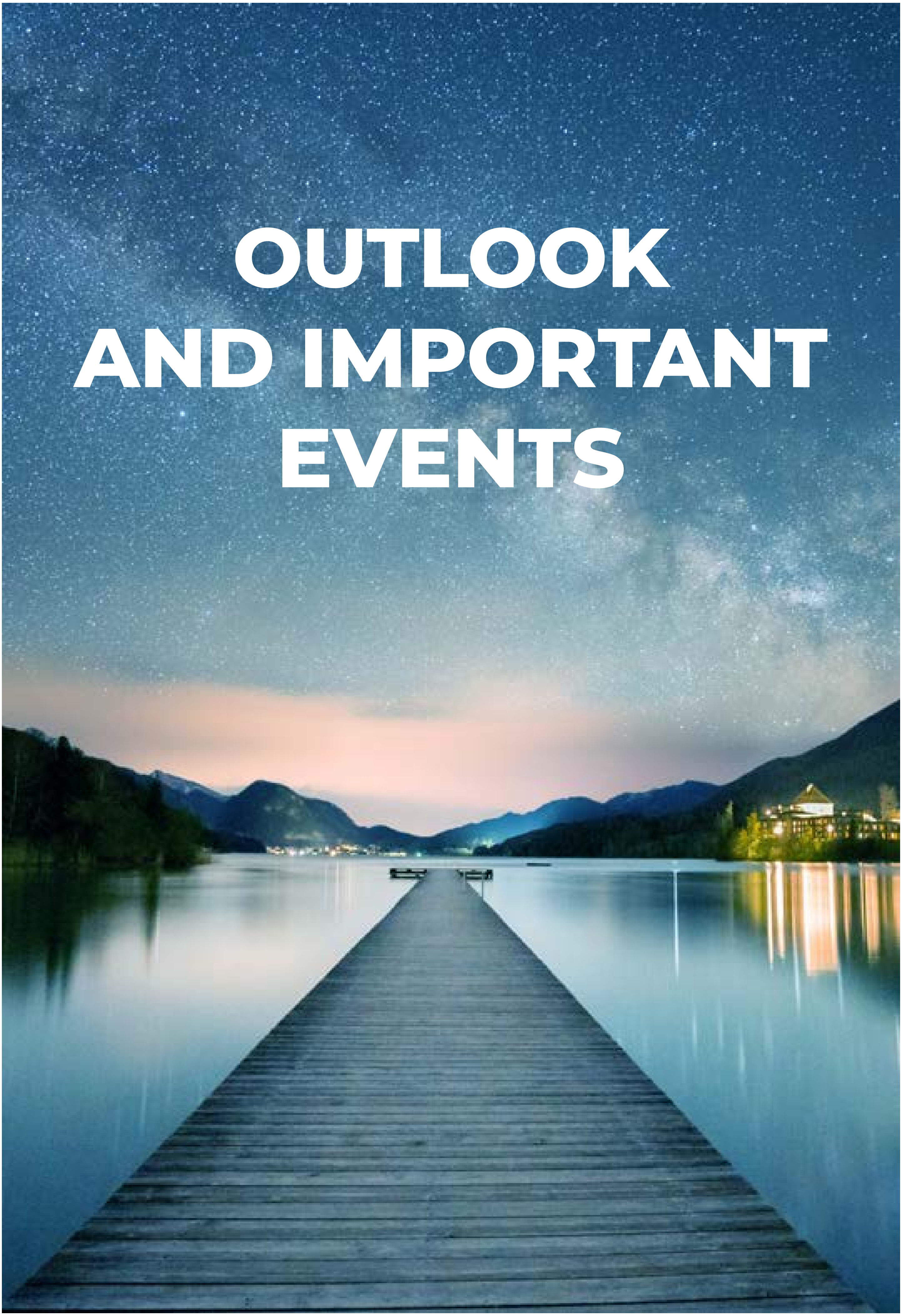
According to Article 16 of the Articles of Association: "The Board of Directors is composed of one or several members, who are elected by the General Meeting of Shareholders for a term of one year and who may be re-elected. The term of office ends on the day when the ordinary Meeting of Shareholders is held. In case of by-elections, the new members of the Board of Directors shall complete their predecessors' term of office."

There are no financing agreements nor customer contracts containing any customary agreements on a change of control in the event of a takeover within the meaning of Section 243a (1) No. 8 UGB.

There are no compensation agreements within the meaning of Section 243a (1) No. 9 UGB.

In May 2023, the Board of Directors of SunMirror AG introduced a stock option plan. Until 30 June 2024, a total of 17,968 stock options with an average exercise price of EUR 7.00 per share have been granted, all of which have legally vested as of the reporting date and 7'162 were recognised as share-based payments in personnel expenses in the current reporting period.

In May 2024, Daniel Monks resigned from the Board of Directors of SunMirror AG with immediate effect. Since then, Laurent Quelin has been the only member of the Board of Directors of SunMirror AG. By-elections to the Board of Directors are expected to take place at the Annual General Meeting in December 2024.


OUTLOOK
AND IMPORTANT
EVENTS

OUTLOOK AND IMPORTANT EVENTS

Outlook for the coming business year

The Board of SunMirror AG views 2025 as a pivotal year for the Group. Following the recent approval of the Programme of Work by DEMIRS, the Moolyella project is now shovel-ready, positioning the Group to move forward with development in due course. Additionally, we plan to advance the exploration of gold and lithium at our Kingston Keith project. Our aim is to bring this project to a stage where the Group is well-positioned to secure additional capital or form strategic partnerships to support the next phase of its development. This approach is in line with standard practices in the mineral exploration sector.

The current pricing environment for battery metals remains challenging, largely due to softer-than-expected growth in electric vehicle (EV) penetration across key markets. Despite these short-term headwinds, we remain confident in the long-term demand for these critical minerals, which are essential for the electrification of the global economy. This is driven by two key factors: the global push to combat climate change and the increasing energy demands from emerging technologies such as generative artificial intelligence. On the other hand, gold prices have experienced a significant uplift throughout 2024, bolstered by geopolitical tensions and economic uncertainties that have encouraged flight to safety. The Group's strategic diversification across battery metals and precious metals places us in a strong position as we explore avenues to raise capital and finance future growth.

To fund this growth, the Board is actively exploring opportunities to access capital markets in jurisdictions with deep mining expertise and knowledge of our assets, particularly in Australia. This may include pursuing a dual listing, potentially in Australia or the UK, which would offer several advantages. A dual listing could enhance share liquidity and attract a broader base of knowledgeable investors, increasing the Group's visibility and credibility in key mining hubs. We are committed to keeping our stakeholders informed as we make progress on this front.

At the same time, the Group continues to evaluate potential opportunities to monetize its Royalty Asset. The decrease in iron ore prices seen in the first half of 2024 has made it challenging but we believe the strategic location of the Cape Lambert tenement will create opportunities for a divestment that would unlock significant value from this asset.

Lastly, the Company remains focused on identifying new growth opportunities and is actively conducting due diligence on several projects in Europe, particularly in Central Europe and Scandinavia. These projects could provide valuable diversification to our asset portfolio, offering protection against the inherent cyclicality of metal prices and strengthening the Group's position in the broader market.

In summary, SunMirror AG is well-positioned to navigate both the challenges and opportunities of the current market environment. We are confident that our strategic initiatives will create sustainable long-term value for our shareholders and drive future growth.

Important events since the end of the last business year

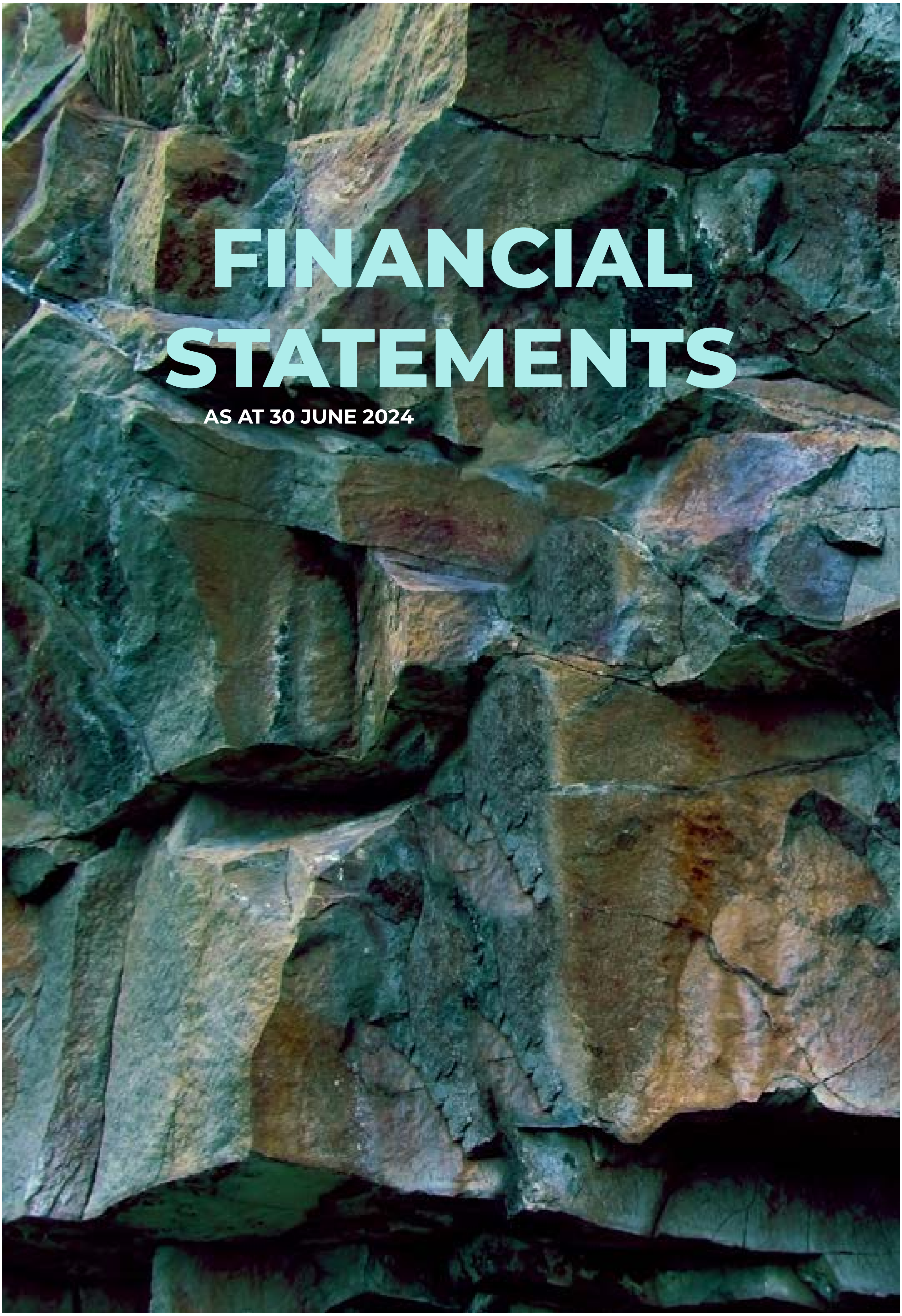
No important events occurred after the balance sheet date up to the date of submission of the report,

Zug, 18 October 2024

Laurent Quelin e.h.
Member of the Board of Directors

FINANCIAL STATEMENTS

AS AT 30 JUNE 2024



FINANCIAL STATEMENTS

Statement of Financial Position

	Notes	CHF 30 June 2024	30 June 2023
ASSETS			
Cash and cash equivalents	1	1,864,724	3,560,617
Other current receivables	2	408,768	7,975,153
Prepaid expenses and accrued income	3	36,892	39,060
Total current assets		**2,310,384**	**11,574,830**
Financial assets	4	8,435,477	709,458
Participations	5	1,175,000	1,175,000
Intangible assets	6	2,794	5,184
Total non-current assets		**9,613,271**	**1,889,642**
Total assets		**11,923,655**	**13,464,472**
EQUITY AND LIABILITIES			
Trade accounts payable	7	31,409	67,412
Other current liabilities	8	4,179	584
Deferred income and accrued liabilities	10	233,949	375,365
Total current liabilities		**269,537**	**443,361**
Provisions	9	7,094	6,855
Total non-current liabilities		**7,094**	**6,855**
Total liabilities		**276,631**	**450,216**
Share capital		2,395,755	2,395,755
Statutory capital reserve		27,343,731	27,343,731
Statutory retained earnings		92	92
Accumulated losses			
Loss carried forward		-16,725,322	-14,396,245
Loss for the year		-1,367,232	-2,329,077
Total equity	11	**11,647,024**	**13,014,256**
Total equity and liabilities		**11,923,655**	**13,464,472**

Statement of Profit and Loss

	Notes	CHF 2024 (12 months)	2023 (12 months)
Personnel expenses	12	-677,601	-833,420
Other operating expenses	13	-435,136	-1,810,774
Operating loss before interest, tax, depreciation and amortisation (EBITDA)		**-1,112,737**	**-2,644,194**
Depreciation, amortization and impairment of non-current assets	14	-2,390	-2,393
Operating loss before interest and taxes (EBIT)		**-1,115,127**	**-2,646,587**
Financial income	15	160,312	658,752
Financial expenses	16	-254,546	-691,052
Operating loss before taxes (EBT)		**-1,209,361**	**-2,678,887**
Extraordinary, non-recurring or income relating to other periods	17	56,776	360,631
Extraordinary, non-recurring or expenses relating to other periods	18	-211,747	0
Loss for the year before taxes		**-1,364,332**	**-2,318,256**
Direct taxes	19	-2,900	-10,821
Loss for the year		**-1,367,232**	**-2,329,077**

Notes to the financial statements

GENERAL INFORMATION

COMPANY NAME, REGISTERED OFFICE AND LEGAL FORM

Company name and registered office:
SunMirror AG, Zug,
Switzerland Company Identification
Number (UID): CHE-395.708.464
Legal Form: Aktiengesellschaft (AG)

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with the provisions of the Swiss Code of Obligations (CO), commercial accounting and financial reporting (Art. 957 ff. CO). Disclosures on the principles and accounting options applied, unless they are required by law.

The financial statements are prepared on a going concern basis at cost and are presented in Swiss francs (CHF).

Presentation of the statement of profit and loss

The statement of profit and loss is presented in accordance with the nature of expense method.

Share-based payments

In May 2023, the Board of Directors of SunMirror AG introduced a stock option plan. Certain members of the management and selected key employees are eligible to participate in the plan (participants). This stock option plan establishes a framework to provide participants with long-term incentives and to better align their interests with the interests of shareholders and the prosperity of the Company.

The stock option plan is classified as cash settled. However, the Company has the right to settle either in cash or equity at its sole discretion. The stock option plan may be amended from time to time and is a discretionary incentive plan for employee retention and motivation.

Awards are made on the recommendation of the Remuneration Committee based on participant performance and employment conditions and are approved by the Board of Directors. The individual terms and conditions applicable to each participant in connection with each stock option award, in addition to the general provisions of this plan, are subject to a separate award agreement.

Generally, awards are made over a three-year service period. The vested options may subsequently be exercised over a period of 10 years. One option entitles the holder to subscribe one share of SunMirror AG or a corresponding compensation in cash. The exercise prices of the options are calculated by reference to share price historical averages. Upon termination of employment, unvested options may or may not be cancelled depending on the circumstances. The related expense is recognized as personnel expense over the service period and the cumulative liabilities are recognized as non-current provision.

Foregoing a cash flow statement and additional disclosures in the notes

As SunMirror AG (Group) has prepared its consolidated financial statements in accordance with IFRS as issued by the IASB, it has decided to forego presenting additional information on interest-bearing liabilities and audit fees in the notes as well as a cash flow statement in accordance with the law.

Currency and rounding

Foreign currency items in current assets and current non-interest-bearing liabilities are measured at the closing rate. Corresponding gains and losses are recognized in the income statement for the period. Non-current assets, interest-bearing liabilities and non-current liabilities are valued at the historical exchange rate, except where this would result in overvaluations of assets or undervaluations of liabilities. Foreign currency transactions in the income statement are recorded at the exchange rates prevailing on the date of the transaction.

Individual figures in the annual financial statements are rounded. In tables, such commercially rounded figures may not add up exactly to the respective totals also shown in the tables.

DISCLOSURES ON ITEMS IN THE STATEMENT OF FINANCIAL POSITION AND THE STATEMENT OF PROFIT AND LOSS

1	Cash and cash equivalents	CHF	
		30 June 2024	30 June 2023
	Cash in bank	1,864,724	3,560,617
	Total	1,864,724	3,560,617

2	Other current receivables	CHF	
		30 June 2024	30 June 2023
	Participations (direct or indirect)	0	7,577,434
	Shareholders (direct or indirect)	300,200	297,758
	Government agencies	28,786	12,658
	Social securities	0	1,038
	Advance payments	78,282	84,765
	Miscellanius current receivables	1,500	1,500
	Total	408,768	7,975,153

Receivables from participations were reclassified from current to non-current receivables (financial assets) in the reporting year.

3	Prepaid expenses and accrued income	CHF	
		30 June 2024	30 June 2023
	Prepaid expenses	27,360	32,591
	Accrued income	9,532	6,469
	Total	36,892	39,060

4	Financial assets	CHF	
		30 June 2024	30 June 2023
	Non-current receivable from participations (direct or indirect)	8,435,477	709,458
	Total	8,435,477	709,458

5 Participations

	Local currency	Share of votes	Share of capital	Share capital in local currency	CHF Opening balance	Additions/ disposals	Closing balance
SunMirror Luxembourg S.A., Luxembourg (direct shareholding)	EUR	100%	100%	1,111,000	1,175,000	0	1,175,000
Lithium 1 Pty Ltd, Perth, Western Australia (indirect shareholding)	AUD	100%	100%	10	n/a	n/a	n/a
Pharlap Holdings Pte. Ltd., Singapore (indirect shareholding)	SGD	100%	100%	4,172,472	n/a	n/a	n/a
End of the period 30 June 2024					1,175,000	0	1,175,000
SunMirror Luxembourg S.A., Luxembourg (direct shareholding)	EUR	100%	100%	1,111,000	1,175,000	0	1,175,000
Lithium 1 Pty Ltd, Perth, Western Australia (indirect shareholding)	AUD	100%	100%	10	n/a	n/a	n/a
Pharlap Holdings Pte. Ltd., Singapore (indirect shareholding)	SGD	100%	100%	4,172,472	n/a	n/a	n/a
End of the period 30 June 2023					1,175,000	0	1,175,000

6 Intangible assets

	CHF Opening balance	Additions	Disposals	Total before amortization	Amortization	Closing balance
Domains	5,184	0	0	5,184	-2,390	2,794
End of the period 30 June 2024	5,184	0	0	5,184	-2,390	2,794
Domains	7,576	0	0	7,576	-2,392	5,184
End of the period 30 June 2023	7,576	0	0	7,576	-2,392	5,184

7 Trade accounts payable

	CHF 30 June 2024	CHF 30 June 2023
Third parties (accounts payable)	21,031	28,425
Corporate bodies	0	26,925
Other related parties	10,378	12,062
Total	**31,409**	**67,412**

8 Other current liabilities

	CHF 30 June 2024	CHF 30 June 2023
Social securities/ government agencies	3,887	0
Pension plan	292	584
Total	**4,179**	**584**

9 Provisions

	Number of options	CHF 30 June 2024	CHF 30 June 2023
Stock option plan management and administrative bodies	17,968	7,094	6,855
Total		**7,094**	**6,855**
due within 12 months		0	0
due after 12 months		7,094	6,855

Until 30 June 2024, a total of 17’968 stock options with an average exercise price of EUR 7.00 per share have been legally vested, of which 7‘162 stock options were recognised as compensation expense in the current financial year.

10 Deferred income and accrued liabilities

	CHF 30 June 2024	CHF 30 June 2023
Accrued liabilites and short-term provisions	233,949	375,365
Total	**233,949**	**375,365**

11 **Total equity**

	CHF	
	30 June 2024	30 June 2023
Share capital		
Share capital - opening balance	2,395,755	2,343,221
Capital increase through conversion of convertible notes/ bonds from conditional capital, established on 29.12.2020	0	52,534
Total Share capital	**2,395,755**	**2,395,755**
Number of bearer shares at a nominal value of CHF 1.00 per share issued at end of period:	2,395,755	2,395,755
Statutory capital reserve		
Capital contribution reserve - opening balance	27,343,731	23,539,911
Capital increase through conversion of convertible notes/ bonds from conditional capital, established on 29.12.2020	0	3,803,820
Total Statutory capital reserve	**27,343,731**	**27,343,731**
Statutory retained earnings		
General statutory reserve	92	92
Total Statutory retained earnings	**92**	**92**
Accumulated losses		
Loss carried forward	-16,725,322	-14,396,245
Loss for the year	-1,367,232	-2,329,077
Total Accumulated losses	**-18,092,554**	**-16,725,322**
Total equity	**11,647,024**	**13,014,256**

12 Personnel expenses

		CHF 2024 (12 months)	2023 (12 months)
Wages and salaries		-652,414	-772,236
Social security		-13,788	-36,935
Pension plan		-1,848	-11,632
Other personnel expenses		-9,551	-12,617
Total		**-677,601**	**-833,420**
Share based payments	Number		
Options and value (expenses)	7,162	-321	-6,855

13 Other operating expenses

	CHF 2024 (12 months)	2023 (12 months)
Rent	-5,863	-4,472
Insurances, duties, fees, permits	-36,609	-34,163
Energy and disposal	0	-644
Administration and IT	-15,381	-8,718
Accounting and consolidation	-70,186	-265,086
Business consulting	-2,398	-138,755
Legal and tax consulting	-45,880	-559,352
Regulatory expenses	-60,532	-197,444
Board of Directors and General Meeting	-4,965	-22,592
Auditing fees	-145,137	-337,867
Investor Relations	-48,173	-241,681
Sundry operating expenses	-12	0
Total	**-435,136**	**-1,810,774**

14 Depreciation, amortization and impairment of non-current assets

	CHF 2024 (12 months)	2023 (12 months)
Impairment of financial assets	0	-1
Amortization intangible assets	-2,390	-2,392
Total	**-2,390**	**-2,393**

15 Financial income

	CHF 2024 (12 months)	2023 (12 months)
Interest income	58,169	12,147
Gains on marketable securities - realized	0	40,186
Gains on currency translation - realized	99,994	602,522
Gains on currency translation - unrealized	2,149	3,897
Total	**160,312**	**658,752**

16 **Financial expenses**

	CHF 2024 (12 months)	2023 (12 months)
Interest	-17	-178,978
Bank fees	-18,778	-29,771
Losses on currency translation - realized	-158,165	-163,536
Losses on currency translation - unrealized	-77,586	-318,767
Total	**-254,546**	**-691,052**

17 **Extraordinary, non-recurring or income relating to other periods**

	CHF 2024 (12 months)	2023 (12 months)
Income relating to other periods	56,776	360,631
Total	**56,776**	**360,631**

2024

CHF 24'380: Successful clawback of an advance payment.

CHF 32'396: Reversal of short-term provisions no longer required.

2023

CHF 354'550: Agreement with service providers to pay a lower amount than was recognized as a liability in the previous year.

CHF 6'081: Social security reimbursement from previous year without accrual.

18 **Extraordinary, non-recurring or expenses relating to other periods**

	CHF 2024 (12 months)	2023 (12 months)
Expenses relating to other periods	-211,747	0
Total	**-211,747**	**0**

2024

CHF 211'747: Subsequently invoiced services of a subsidiary.

19 **Direct taxes**

	CHF 2024 (12 months)	2023 (12 months)
Capital taxes	-2,900	-10,821
Total	**-2,900**	**-10,821**

Direct taxes are related to capital taxes. As the Company shows a loss for the reporting period and the previous period, there are no expenses related to income taxes.

OTHER DISCLOSURES REQUIRED BY LAW

20 Full-time equivalents (average per year/ period)

	30 June 2024	30 June 2023
The number of full-time equivalents is	not above 10	not above 10

21 Contingent liabilities

The Company has been in a dispute with the holders of the former 52'534 mandatory convertible notes ISIN CH1142529093, which were issued in December 2021 and were automatically converted into SunMirror shares on 20 December 2022 at a price of EUR 75 per share. The noteholders have disputed the conversion of their notes. The Company considers that the notes were rightfully converted to shares and fundamentally disagrees with the noteholder's allegations. On this basis and given the current facts, the Company is of the opinion that the claims are unfounded and does not recognize a provision or disclose a contingent liability in connection with this dispute. At a conciliation hearing in March 2023, no settlement was reached. Following such conciliation hearing the noteholders failed to file a claim in Swiss courts within the applicable deadline. In order to file a claim, the noteholders would have to start the process again and request a new conciliation meeting. There have been no further developments on this matter since March 2023.

Proposal for the appropriation of accumulated losses

The Board of Directors proposes that the accumulated loss be appropriated as follows:

	CHF	
	30 June 2024	30 June 2023
Accumulated losses		
Loss carried forward	-16,725,322	-14,396,245
Loss for the year	-1,367,232	-2,329,077
Accumulated losses at the end of the period	**-18,092,554**	**-16,725,322**
Balance carried forward	**-18,092,554**	**-16,725,322**

Report of the statutory auditor
to the general meeting of
SunMirror AG, Zug

Zurich, October 18, 2024

Report on the audit of the financial statements

Opinion

We have audited the financial statements of SunMirror AG (the Company), which comprise the statement of financial position as at June 30, 2024, the statement of profit and loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements presented on pages 120 to 130 comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments and receivables from investments

In the statement of financial position, investments and receivables from investments are reported at a total of CHF 9.6 million (June 30, 2023: CHF 9.5 million). The carrying amount of these assets represents 81% of the total assets of the company as of June 30, 2024 (June 30, 2023: 70%).

Audit matter

Investments and receivables from investments are recognized on an individual basis at cost less any necessary valuation allowances, in accordance with the requirements of bookkeeping and accounting practice and reporting. No valuation allowances were recognized either in the previous year or in the financial year.

The valuation of investments and receivables from investments is directly related to the valuation of the exploration assets recognized in the investments. In our view, these items, which are significant in terms of amount, were of particular importance as management's assessment of recoverability is based on inherent uncertainties such as:

- the long-term focus on potential development and mining of metals;
- the determination of whether or not suspected deposits actually exist;
- the identification and assessment of any impairment indicators that may exist;
- dependencies on third party interests, some of which are significant.

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Our approach

Our audit procedures with respect to the exploration assets recognized in the investments included:

- We obtained an understanding of the valuation methodology and assessment of impairment indicators applied by management for the year ended June 30, 2023.
- We assessed the design and implementation of relevant controls related to management's assessment of potential impairment indicators as of year-end.
- We performed the following additional audit procedures to verify the existence of the recognized intangible assets:
  - Reviewed the underlying exploration licenses and related required activities to verify the existence of ownership and validity as of year-end;
  - Review of recent field visit reports prepared by management's expert;
  - Interviewing management;
  - With respect to the license rights, we requested a third-party confirmation from the licensee confirming the license rights as per the original agreement and the ownership of the respective retention license.

Based on our audit results, we consider the valuation of the investments and receivables from investments to be reasonable.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of accumulated loss complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ferax Treuhand AG

Renzo Peduzzi	Antonio Marin
Licensed Audit Expert	*Licensed Audit Expert*
Auditor in charge	

Statement by all legal representatives

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets,

liabilities, financial position, and profit or loss of the Group as required by the applicable accounting standards
and that the Group management report gives a true and fair view of the development and performance of the business
and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

Zug, 18 October 2024

Laurent Quelin e.h.
Member of the Board