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SUN SILVER LIMITED

ABN 86 665 307 433

(ASX: SS1)

INTERIM REPORT – 30 JUNE 2024

Directors	Gerard O'Donovan Dean Ercegovic Nathan Marr
Company secretary	James Doyle
Registered office	Danpalo Group Pty Ltd Suite 1, 1 Tully Road East Perth WA 6004
Principal place of business	Danpalo Group Pty Ltd Suite 1, 1 Tully Road East Perth WA 6004
Share register	Automic Group Level 5, 191 St Georges Terrace, Perth WA 6000
Auditor	William Buck Level 20, 181 William Street Melbourne VIC 3000
Solicitors	Hamilton Locke Level 39, 152-158 St Georges Terrace Perth WA 6000
Stock exchange listing	Sun Silver Limited shares are listed on the Australian Securities Exchange (ASX code: SS1)
Website	https://www.sunsilver.com.au

Forward-looking statements

*This report may contain certain forward-looking statements, guidance, forecasts, estimates or projections in relation to future matters (**Forward Statements**) that involve risks and uncertainties, and which are provided as a general guide only. Forward Statements can generally be identified by the use of forward-looking words such as “anticipate”, “estimate”, “will”, “should”, “could”, “may”, “expects”, “plans”, “forecast”, “target” or similar expressions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of the Company. The Company can give no assurance that these expectations will prove to be correct. You are cautioned not to place undue reliance on any forward-looking statements. None of the Company, its directors, employees, agents or advisers represent or warrant that such Forward Statements will be achieved or prove to be correct or gives any warranty, express or implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any Forward Statement contained in this report. Actual results may differ materially from those anticipated in these forward-looking statements due to many important factors, risks and uncertainties. The Company does not undertake any obligation to release publicly any revisions to any “forward-looking statement” to reflect events or circumstances after the date of this report, except as may be required under applicable laws.*

Competent Person Statement – Previous Results

*The information in this announcement that relates to exploration results or estimates of mineral resources at the Maverick Springs Project is extracted from the Company’s ASX announcements dated 12 June 2024, 18 June 2024 and 28 August 2024 (**Original Announcements**). The Company confirms that it is not aware of any new information or data that materially affects the information contained in the Original Announcements and, in the case of estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.*

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Sun Silver Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2024.

Directors

The following persons were directors of Sun Silver Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Gerard O'Donovan - Executive Director (Appointed 2 February 2024)
Dean Ercegovic - Non-executive Chair (Appointed 8 April 2024)
Nathan Marr - Non-executive Director (Appointed 8 April 2024)
Daniel Loughnan - Non-executive Director (Resigned 8 April 2024)
Andrew Dornan - Non-executive Director (Resigned 8 April 2024)

Principal activities

During the financial period the principal continuing activity of the Company was the exploration and evaluation of silver resources in the Elko County & White Pine County region of Nevada, USA.

Review of operations

Sun Silver Limited (ASX: SS1) ("**Sun Silver**" or "the **Company**") is pleased to provide a review of operations for the half-year ended 30 June 2024.

The loss for the consolidated entity after providing for income tax amounted to \$1,177,539 (30 June 2023: \$nil).

Corporate

Initial Public Offer and Admission to ASX

The Company commenced trading on the Australian Securities Exchange (**ASX**) on 15 May 2024 following the completion of a heavily oversubscribed Initial Public Offering (**IPO**) that raised \$13 million through the issue of 65,000,000 shares at an issue price of \$0.20 per share.

Key Appointments

During the reporting period, exploration geologist, Brodie Box, was appointed as Technical Advisor and Competent Person. Brodie is a highly experienced exploration and resource geologist having spent time working for Jupiter Mines, Latin Resources and currently with Cadre Geology and Mining.

Robert Anderson was appointed In Country Exploration Manager to lead up on the ground activities at Maverick Springs. Robbie is a 17-year experienced exploration geologist primarily in Nevada Carlin style and epithermal gold projects, including 5 years at Newmont, and recently at the neighbouring Rochester project for Coeur.

Maverick Springs Project

Sun Silver's cornerstone asset, the Maverick Springs Silver-Gold Project ("**Maverick Springs Project**" or "**the Project**"), is located 85km from the fully serviced mining town of Elko in Nevada and is surrounded by several world-class gold and silver mining operations including Barrick's Carlin Mine.

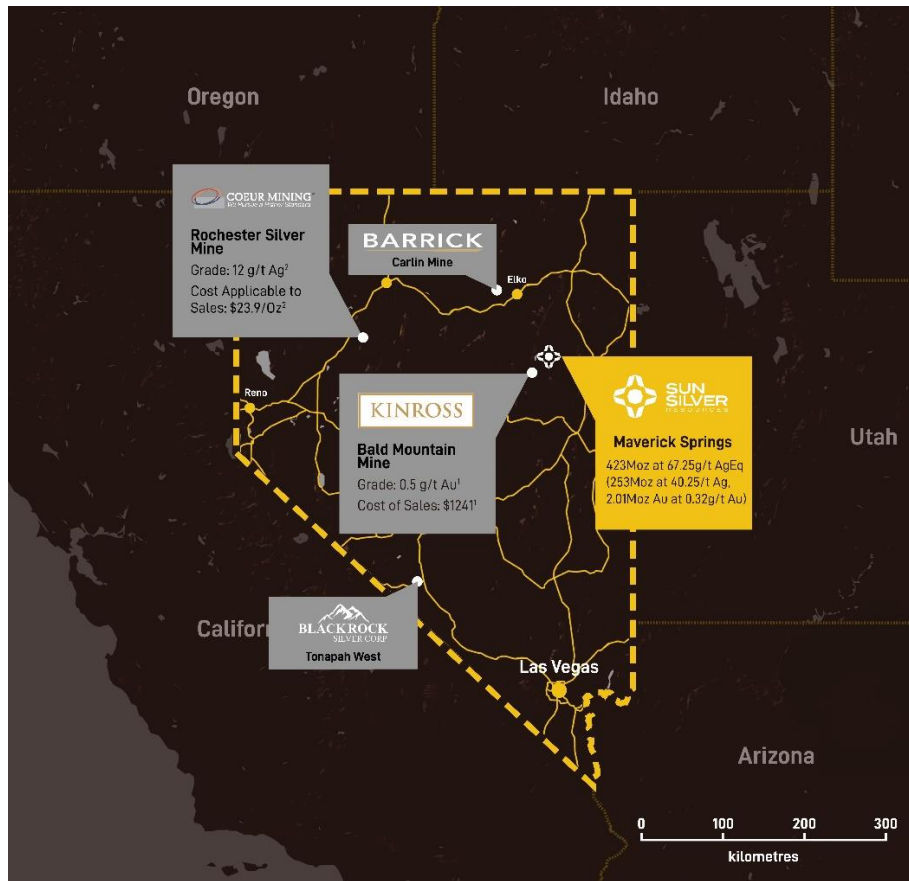


Figure 1 – Sun Silver's Maverick Springs asset location and surrounding operators.

Nevada is a globally recognised mining jurisdiction which was rated as the Number 1 mining jurisdiction in the world by the Fraser Institute in 2022.

The Project, which is proximal to the prolific Carlin Trend, hosts a JORC Inferred Mineral Resource of 195.7Mt grading 40.25g/t Ag and 0.32g/t Au for 253.3Moz of contained silver and 2.0Moz of contained gold (423Moz of contained silver equivalent)¹.

The deposit itself remains open along strike and at depth, with multiple mineralised intercepts located outside of the current Resource constrained model.

Inaugural Drill Program

In early June 2024, following a thorough tender review, Sun Silver announced the award of its inaugural drilling contract to Alford Drilling. Alford Drilling was selected following a rigorous assessment of tender submissions received from multiple highly experienced, locally based drilling contractors.

Alford Drilling is an Elko, Nevada-based exploratory drilling company offering its services throughout the Western United States.

The Alford Drilling team consists of experienced supervisors and drillers who possess extensive knowledge, project management skills, and safe work habits. Alford Drilling has decades of drilling industry experience working in places such as Lima, Peru; Rio de Janeiro, Brazil; Medellin, Colombia; and the USA.

The Company's inaugural drilling campaign is planned to consist of approximately 7,500m of RC drilling and includes a mix of both in-fill and extensional drill targets. The program will focus on the north-western boundary of the Project's existing Resource and beyond, where a high-grade target zone has been defined following the Company's initial fieldwork program and a comprehensive review of historical data.

¹ See the Company's ASX announcement dated 28 August 2024.

Drilling commenced in the week beginning 8 July 2024 and is ongoing.

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Figure 2 – Alford Drilling RC Rig at Maverick Springs.



Figure 3 – Drilling Activities at Maverick Springs including pXRF of drilling material.

Review of Historic Drilling Data

During the Period, Sun Silver established a logging facility in Elko, Nevada, which is being used to undertake an ongoing assessment of historical drill material. Over 200 holes for 60,000m were drilled historically at the Maverick Springs Project.

Portable X-ray fluorescence analyser technology (**pXRF**) is being utilised to scan historical drilling material, together with a visual assessment and re-logging of select holes. This is being carried out to gather key new information as follows:

- Information on the chemical composition of historical drill material, noting that historical assays only recorded results for silver and gold;
- Define geological controls and structural information to identify high-grade areas within the current Resource to target during in-fill drilling;
- Confirm holes to be twinned as part of the planned in-fill drilling campaign; and
- Define limits of oxidisation within the current Resource.

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Figure 4 – Ongoing historical drill assessments in Elko logging facility.

As part of this ongoing historical drill material and information review, Sun Silver geologists identified an outstanding high-grade target zone within the north-western section of the Maverick Springs Project.

During this review, the team uncovered exceptional high-grade silver intervals in multiple historic drill-holes of up to 6,216g/t Silver (Ag)², including:

- 1.5m at 6,216g/t Ag from 241m in MR06-167
- 1.5m at 5,399g/t Ag from 204m in MR06-166
- 1.5m at 5,340g/t Ag from 239m in MR08-182

These zones are deemed to be extremely significant as they lie on the north-western boundary of the defined mineralised zone and the grades and intercept widths are significantly larger than the average grades and intercepts of the current Resource.

² See the Company's ASX announcement dated 18 June 2024

Field Mapping and Geological Sampling

Fieldwork conducted during the period included a field mapping and geological sampling program which identified rocky outcrops and pathfinder elements up to 1.2 km from the current defined mineralisation boundary in the north-west³, supporting the theory that potential resource extensions may be located in this area.

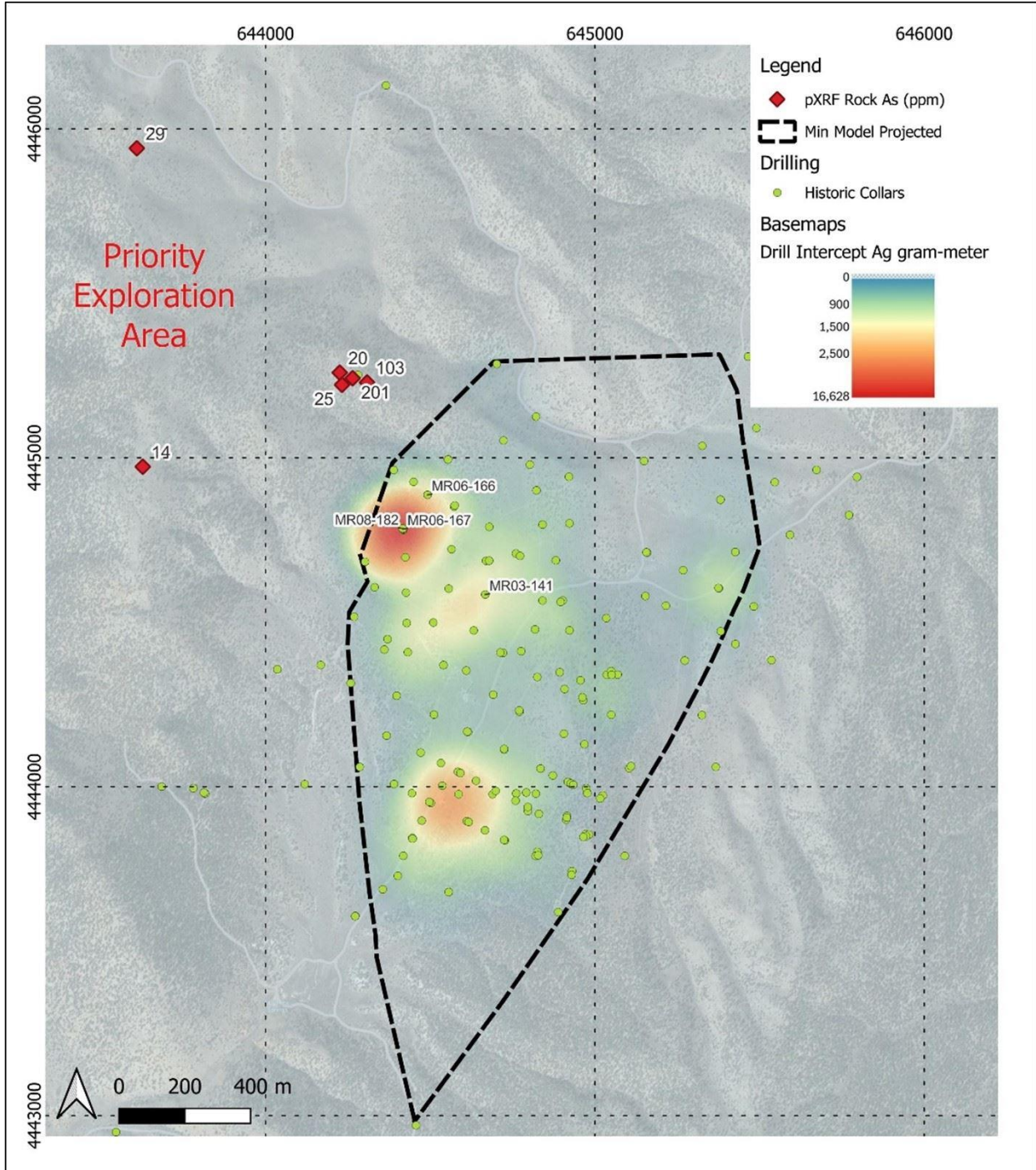


Figure 5 – High grade intercepts on the north-western boundary of the current Resource.

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³ See the Company's ASX announcement dated 12 June 2024

As part of the initial reconnaissance, a number of highly prospective rock chips were taken and assessed via pXRF analysis. These returned elevated arsenic (As) readings of up to 201ppm⁴. Arsenic is a key pathfinder element utilised in the exploration of silver and gold prospects. All results are from locations outside of the current Resource with the furthest sample being collected ~1.2km from the Resource boundary.

Three pXRF readings were taken from each rock chip sample with the average calculated to maximise representative sampling.

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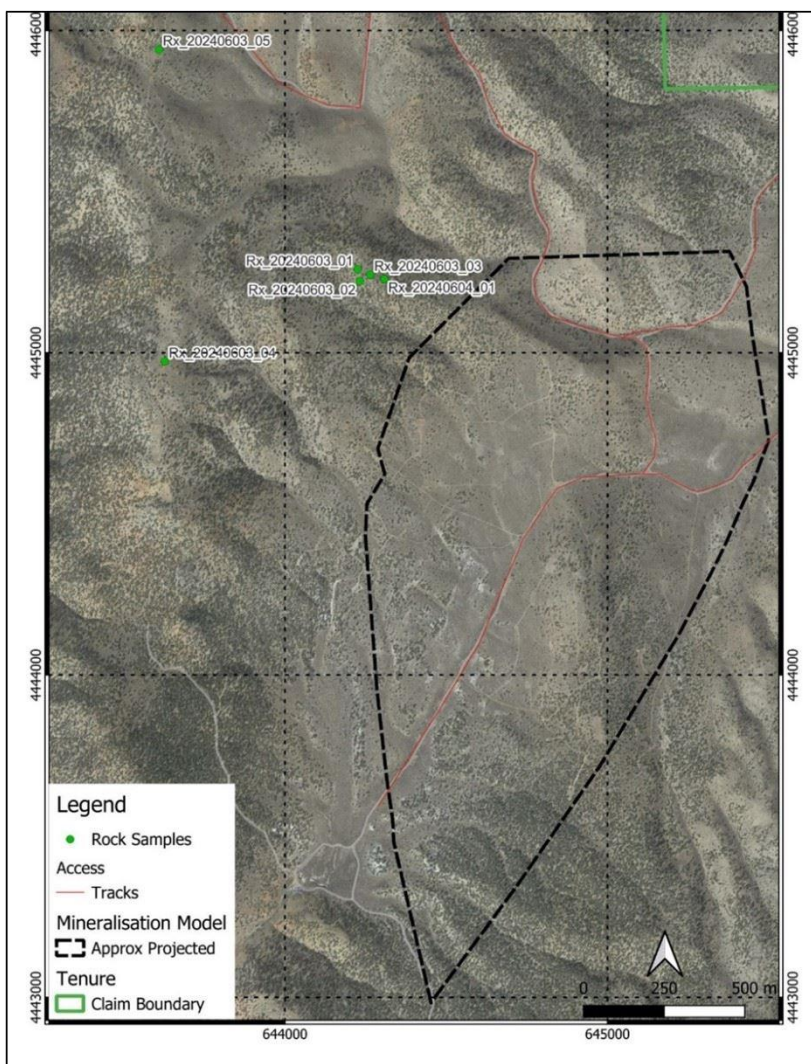


Figure 6 – Rock chip sampling locations in context of the mineralisation model projected to surface.

The data from this mapping will be utilised to inform future programs at the Maverick Springs Project.

⁴ See the Company's ASX announcement dated 12 June 2024



Figure 7 - Tamarack Consulting mapping silicified outcrops at Maverick Springs

Geophysics

During the Period, Zonge International mobilised to site to complete geophysical gravity survey works at the Maverick Springs Project. The survey consisted of ~546 gravity stations being captured on a 100m x 100m grid across the Resource shell and extensional prospects to define geological structures in the region and further define the structural context of the deposit.

The purpose of this survey was to specifically target the identification of feeder zones and post-mineralisation offsets which could be tested as part the ongoing inaugural drill campaign and subsequent drill programs.

Silver Paste Project

During the Period, Sun Silver submitted a Section 48C application to the U.S. Department of Energy for a USD\$60 million investment tax credit for expenditure towards establishing a proposed Silver Paste Production Facility in the USA.

If successful, the investment tax credit will support the Company's initiative to investigate the viability of establishing a Silver Paste Production Facility in Elko County (**Silver Paste Project**). The Silver Paste Project aims to produce silver paste to supply solar photovoltaic (**PV**) cell manufacturers in the USA.

Silver paste, or conductive silver paste, is a conductive material containing silver particles that is used in the manufacturing of solar panels. It plays a crucial role in the construction of solar cells, which are the building blocks of solar panels.

The primary function of silver paste in solar panels is to create electrical connections between the solar cells. The choice of silver paste is due to its excellent electrical conductivity and stability under various environmental conditions.

The production of silver paste is primarily concentrated in a limited number of chemical companies, the majority of which are in China. This concentration raises concerns about the vulnerability of the supply chain to potential disruptions, emphasising the need for diversification and resilience in sourcing strategies for this critical component in solar panel manufacturing.

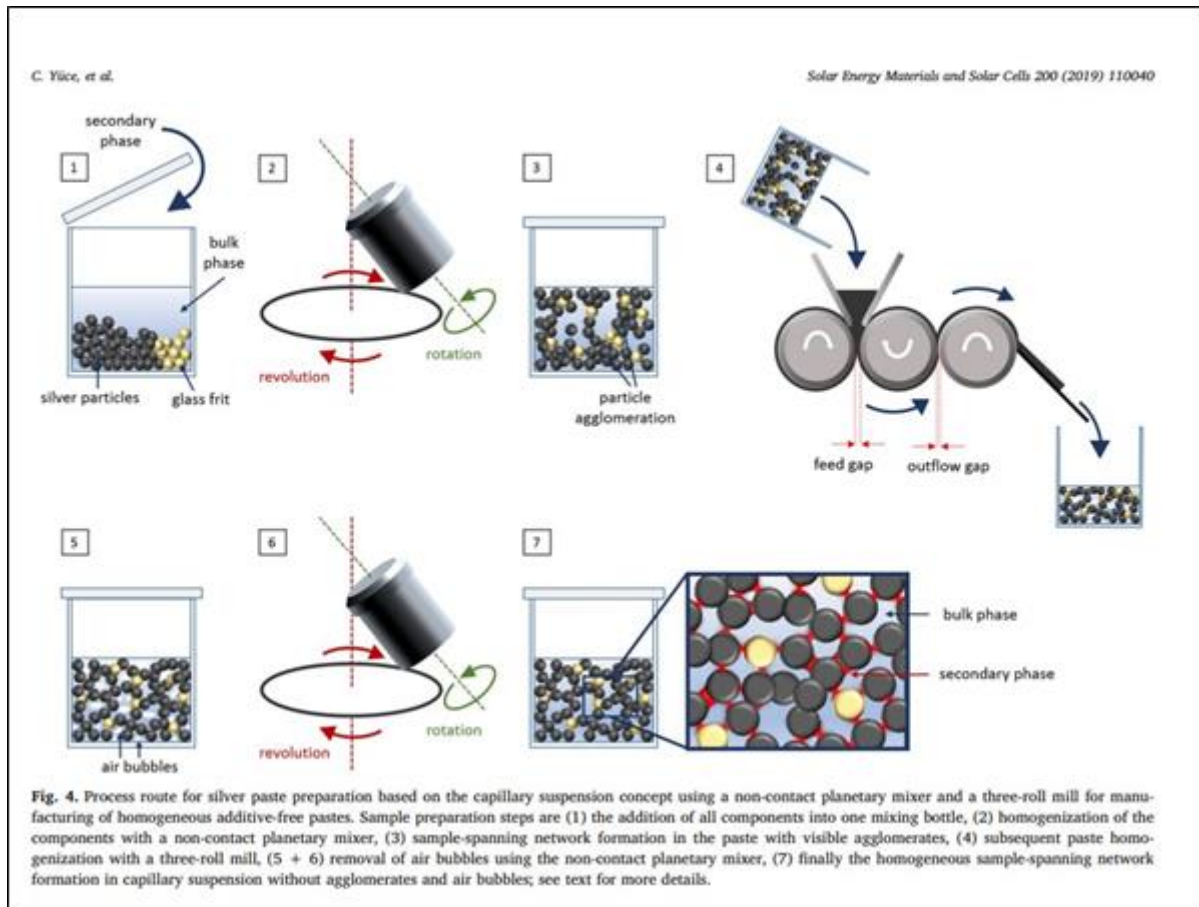


Figure 8 - Process route for silver paste preparation

The Company's preliminary investigations are focused on establishing a Silver Paste Production Facility in Census Tract 9502, Elko County, near the Maverick Springs Project silver deposit (85km south of Elko, Nevada). This location was chosen to minimise transport costs and facilitate the sharing of resources, materials and equipment between the mine, processing infrastructure and silver paste facility. Elko County's well-developed infrastructure, supported by a population of over 20,000, ensures year-round access to a local skilled workforce.

The Section 48C Program, administered by the Department of Energy, supports innovative energy projects that contribute to reducing greenhouse gas emissions. This federal incentive program provides a 30% investment tax credit (ITC) for qualified expenditures on advanced energy manufacturing facilities. It aims to strengthen domestic supply chains, enhance U.S. competitiveness in the global clean energy economy, and foster job growth in related industries.

The Company's Silver Paste Project aligns with this objective, with the potential to enhance the efficiency and sustainability of solar PV cells through the production of high-quality silver paste. Silver paste accounts for up to 23% of the material cost of a photovoltaic cell (solar panel), crucial for creating electrical contacts essential in converting sunlight into electricity.

As the demand for renewable energy continues to grow – particularly in the US, where solar commitments are targeted to reach 30% of the country's energy requirements by 2030 (up from 3% in 2022) – ensuring a stable and efficient supply of silver paste becomes increasingly crucial.

In early May 2024, US President Joe Biden approved an increase in tariffs on Chinese solar imports from 25% to 50% to encourage further onshoring of manufacturing. This policy underscores the strategic importance of domestic production, supporting initiatives like Sun Silver's Silver Paste Project.

Section 48C is just one of several funding and grant avenues available from the Department of Energy. Sun Silver, in collaboration with expert partner Holland & Knight, continues to actively explore additional grant opportunities available within the Department as the Company advances the Maverick Springs Project and Silver Paste Project Facility. Sun Silver is dedicated to pursuing these avenues to ensure its projects align with Government targets, initiatives and mandates.

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Upcoming Activities and Strategy

The Company is focused on the following forward work programs:

- Complete 7,500m extensional and infill drilling campaign currently underway;
- Undertake a reclassification of current Resource estimate from inferred to indicated;
- Expand historical metallurgical test work through detailed assessment and execution of further test work programs; and
- Undertake further investigative studies into the manufacture of silver paste in the US.

Significant changes in the state of affairs

During the current reporting period the Company incorporated and set up the following foreign-based subsidiaries:

Name of company	Country of incorporation
Sun Silver Holdings Corp.	United States of America
Sun Silver Resources LLC	United States of America
Sun Silver Technology LLC	United States of America
Sun Silver Energy LLC	United States of America

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 21 August 2024 the Company issued 3,500,000 unlisted options exercisable at \$1.00 with an expiry date of 21 August 2027. These options were issued to an advisor, as an option fee, pursuant to a strategic advisory mandate and vested immediately.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Gerard O'Donovan
Executive Director

11 September 2024

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

To the directors of Sun Silver Limited

As lead auditor for the review of Sun Silver Limited for the half-year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Sun Silver Limited and the entities it controlled during the period.



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



J. C. Luckins
Director
Melbourne, 11 September 2024

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Sun Silver Limited

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30 June 2024

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General information

The financial statements cover Sun Silver Limited as a consolidated entity consisting of Sun Silver Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Sun Silver Limited's presentation currency. Sun Silver Limited's functional currency is United States dollars.

On 27 January 2023 the Company was incorporated with the name Green Power Minerals Pty Ltd.

Sun Silver Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Danpalo Group Pty Ltd
Suite 1, 1 Tully Road
East Perth WA 6004

Principal place of business

Danpalo Group Pty Ltd
Suite 1, 1 Tully Road
East Perth WA 6004

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 11 September 2024.

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Sun Silver Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2024

	30 June 2024	Consolidated From incorporation 27 Jan 2023 to 30 June 2023
	\$	\$
Expenses		
Corporate expenses	(421,190)	-
Costs of IPO	(238,890)	-
Employee benefits expense	(11,240)	-
Share-based payments	(506,219)	-
	<hr/>	<hr/>
Loss before income tax expense	(1,177,539)	-
Income tax expense	-	-
	<hr/>	<hr/>
Loss after income tax expense for the half-year attributable to the owners of Sun Silver Limited	(1,177,539)	-
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation	11,615	-
	<hr/>	<hr/>
Other comprehensive income for the half-year, net of tax	11,615	-
	<hr/>	<hr/>
Total comprehensive income for the half-year attributable to the owners of Sun Silver Limited	<u>(1,165,924)</u>	<u>-</u>
	Cents	Cents
Basic earnings per share	(1.64)	-
Diluted earnings per share	(1.64)	-

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

Sun Silver Limited
Consolidated statement of financial position
As at 30 June 2024

		Consolidated	
	Note	30 June 2024	31 December 2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		6,581,826	395,484
Other receivables		108,274	2,100
Prepayments		231,327	-
Total current assets		<u>6,921,427</u>	<u>397,584</u>
Non-current assets			
Exploration and evaluation	3	5,936,079	-
Prepayments		131,048	-
Total non-current assets		<u>6,067,127</u>	<u>-</u>
Total assets		<u>12,988,554</u>	<u>397,584</u>
Liabilities			
Current liabilities			
Trade and other payables		157,405	33,000
Total current liabilities		<u>157,405</u>	<u>33,000</u>
Total liabilities		<u>157,405</u>	<u>33,000</u>
Net assets		<u>12,831,149</u>	<u>364,584</u>
Equity			
Issued capital	4	14,214,622	733,400
Reserves		162,882	-
Accumulated losses		(1,546,355)	(368,816)
Total equity		<u>12,831,149</u>	<u>364,584</u>

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

Sun Silver Limited
Consolidated statement of changes in equity
For the half-year ended 30 June 2024

Consolidated	Issued capital \$	Share-based payments reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at incorporation 27 January 2023	-	-	-	-	-
Profit after income tax expense for the half-year	-	-	-	-	-
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	-	-
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity (note 4)	2,000	-	-	-	2,000
Balance at 30 June 2023	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>

Consolidated	Issued capital \$	Share-based payments reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2024	733,400	-	-	(368,816)	364,584
Loss after income tax expense for the half-year	-	-	-	(1,177,539)	(1,177,539)
Other comprehensive income for the half-year, net of tax	-	-	11,615	-	11,615
Total comprehensive income for the half-year	-	-	11,615	(1,177,539)	(1,165,924)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity (note 4)	13,201,500	-	-	-	13,201,500
Selective share buy-back (note 4)	(747)	-	-	-	(747)
Share-based payments	1,373,500	151,267	-	-	1,524,767
Capital raising costs	(1,093,031)	-	-	-	(1,093,031)
Balance at 30 June 2024	<u>14,214,622</u>	<u>151,267</u>	<u>11,615</u>	<u>(1,546,355)</u>	<u>12,831,149</u>

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

Sun Silver Limited
Consolidated statement of cash flows
For the half-year ended 30 June 2024

		Consolidated	
		From	
		incorporation	
		27 Jan 2023	
		to 30 June	
	Note	30 June 2024	2023
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(685,301)	-
Net cash used in operating activities		(685,301)	-
Cash flows from investing activities			
Payments for exploration and evaluation		(5,236,079)	-
Net cash used in investing activities		(5,236,079)	-
Cash flows from financing activities			
Proceeds from issue of shares	4	13,201,500	-
Payments for share buy-backs		(747)	-
Share issue transaction costs and costs of IPO		(1,093,031)	-
Net cash from financing activities		12,107,722	-
Net increase in cash and cash equivalents		6,186,342	-
Cash and cash equivalents at the beginning of the financial half-year		395,484	-
Cash and cash equivalents at the end of the financial half-year		<u>6,581,826</u>	<u>-</u>

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

Sun Silver Limited
Notes to the consolidated financial statements
30 June 2024

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 30 June 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the financial report from 27 January 2023 to 31 December 2023.

The accounting policies that are material to the consolidated entity are set out below.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Sun Silver Limited ('Company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the half-year then ended. Sun Silver Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Sun Silver Limited's presentation currency. Sun Silver Limited's functional currency is United States dollars.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial half-year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

Sun Silver Limited
Notes to the consolidated financial statements
30 June 2024

Note 1. Material accounting policy information (continued)

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 2. Operating segment

During the half-year the Company operated in one segment, being the exploration and evaluation of silver resources in the Elko County & White Pine County region of Nevada, USA.

Note 3. Exploration and evaluation

	Consolidated	
	30 June 2024	31 December 2023
	\$	\$
<i>Non-current assets</i>		
Exploration and evaluation	5,936,079	-

	Consolidated	
	30 June 2024	31 December 2023
	\$	\$
Exploration and evaluation at the end of the current period comprises:		
- Consideration shares	700,000	-
- Consideration paid in cash	4,667,420	-
- Exploration and evaluation expenditure	551,185	-
- Foreign exchange losses	17,474	-
Balance as at 30 June 2024	5,936,079	-

On 28 August 2023, the Company entered into an option agreement with Element 79 Gold Corp. (CSE: ELEM) (OTC: ELMGF) (FSE: 7YS) (as varied on 12 January 2024 and 5 March 2024) whereby the Company has an option to acquire a 100% interest in the Mining Lease and mining information relating to the Maverick Springs Property.

During the current financial reporting period the Company exercised the Maverick Springs Option. The consideration paid by the Company comprised:

- (a) 3,500,000 shares (being AUD\$700,000 in Shares at a deemed issue price of \$0.20); and
- (b) CAD\$4,400,000 in cash less any Option Fees already paid

The fair value of the shares was \$0.20 per share. These shares were issued along with the shares issued at IPO, for which the unit price was \$0.20 per share.

Sun Silver Limited
Notes to the consolidated financial statements
30 June 2024

Note 4. Issued capital

	Consolidated		
	30 June 2024	31 December 2023	31 December 2023
	Shares	Shares	\$
Ordinary shares - fully paid	124,975,000	125,800,000	14,214,622
	<u>124,975,000</u>	<u>125,800,000</u>	<u>14,214,622</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	31 December 2023	125,800,000		733,400
Selective share buy-back	1 April 2024	(74,700,000)	\$0.00	(747)
Shares issued to wholesale investors for seed capital	2 April 2024	2,000,000	\$0.10	200,000
Shares issued to Directors as share based payments	8 April 2024	1,492,500	\$0.20	298,500
Shares issued to Directors	8 April 2024	7,500	\$0.20	1,500
Shares issued at IPO	13 May 2024	65,000,000	\$0.20	13,000,000
Shares issued to vendors as consideration	13 May 2024	3,500,000	\$0.20	700,000
Shares issued as consideration for investor relation services (refer)	13 May 2024	1,875,000	\$0.20	375,000
Capital raising cost		-		(1,093,031)
Balance	30 June 2024	<u>124,975,000</u>		<u>14,214,622</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Note 5. Contingent liabilities

There are no contingent liabilities as at 30 June 2024.

Note 6. Commitments

The consolidated entity completed the acquisitions of the following assets prior to admission to ASX:

The exploration and mining rights over the 247 Claims comprising the Maverick Springs Property (Property) pursuant to a mining lease with the landowner and registered holder of the Claims, Artemis Exploration Company.

This project requires the Company to undertake Continuing Operations and to pay an annual Advanced Royalty Payment of USD\$100,000 on 1 October each year.

Note 7. Events after the reporting period

On 21 August 2024 the Company issued 3,500,000 unlisted options exercisable at \$1.00 with an expiry date of 21 August 2027. These options were issued to an advisor, as an option fee, pursuant to a strategic advisory mandate and vested immediately.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Sun Silver Limited
Directors' declaration
30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

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Gerard O'Donovan
Executive Director

11 September 2024

Independent auditor's review report to the members of Sun Silver Limited

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Sun Silver Limited (the Company), and its subsidiaries (the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 30 June 2024,
- the consolidated statement of comprehensive income/statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including a summary of significant accounting policies and other explanatory information/material accounting policy information, and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



J. C. Luckins
Director

Melbourne, 11 September 2024