

IRIS Metals Limited

ABN 61 646 787 135

Interim Report - 30 September 2024

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of IRIS Metals 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 September 2024.

Directors

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

Peter Marks	Executive Chairman
Tal Paneth	Non-Executive Director
Kevin Smith (appointed 28 June 2024)	Non-Executive Director
Christopher Connell (resigned 14 August 2024)	Non-Executive Director

Principal activities

The principal activities during the half-year of the consolidated entity were the exploration, evaluation and acquisition of mining tenements that comprise the South Dakota, Kookynie and Leonora projects respectively.

Review of operations

The loss for the consolidated entity for the half-year after providing for income tax amounted to \$2,145,835 (half-year ended 30 September 2023: \$9,876,735).

The consolidated entity is a resources and exploration company with highly prospective projects located in South Dakota and Western Australia. Since the commencement of the new financial year in April 2024, IRIS Metals Limited has progressed its exploration and related activities on a number of fronts. Highlights for the half-year include:

Following announcement on 15 April 2024 in regard to the sale of its Kookynie Gold Project and tenements to Net Metals Explorations Ltd, the company announced on 19 July 2024 that the sale had not progressed and had been cancelled. The company is considering all options available to it with regards to Kookynie including further exploration which the company has already committed to during the period and or a potential sale.

On 8 July 2024, the company appointed Matt Hartmann as President of U.S. Operations to support the development of its South Dakota Lithium Project. Mr Hartmann brings the company more than 20 years' experience as an executive and technical leader in the mining industry, with a key focus on critical and battery minerals. Going forward Mr. Hartmann will be considered a member of key management personnel.

On 14 August 2024, the company announced the resignation of Christopher Connell. The Board of Directors elected to not replace Mr. Connell immediately but will continue discussions with other suitably qualified individuals in due course.

Drilling and Exploration Campaign in South Dakota

The consolidated entity completed the resource drilling program at the Beecher Project including 56 diamond drill holes completed in 2024 for a total of 7,925m. The consolidated entity reported its best drill intercept to date at the Beecher Project in BDD-24-0031, which intercepted 75.1m at a grade of 1.41% Li₂O from 25.1m. The consolidated entity is on course to deliver a maiden mineral resource in the first quarter of 2025.

The consolidated entity commenced drilling at the Tin Mountain Project in October 2024, which is planned for completion in December 2024.

The consolidated entity conducted a metallurgical test program on spodumene-bearing pegmatites from the Beecher Project which has produced a 6.1% Li₂O spodumene concentrate, with lithium recovery exceeding 82%. The testing produced high purity spodumene concentrate, with samples yielding 0.25% Fe₂O₃, considerably below industry specifications for concentrate of less than 1.3% Fe₂O₃.

The consolidated entity successfully completed downstream lithium conversion and production of battery grade LCE with partner Re-Element Technologies, demonstrating a fully US-based flowsheet.

The consolidated entity completed an internal assessment of the unpatented federal mineral claims prior to the annual renewal date on 1 October 2024. The assessment concluded that a number of claims should not be renewed due to non-viable geology, access issues, and/or located in areas that did not align with the consolidated entity's social license to operate within the Black Hills. A total of 236 claims were not renewed for the 2025 federal claim year, leaving a total of 2,102 unpatented federal mineral claims.

Significant changes in the state of affairs

- On 24 June 2024, the company granted 6,500,000 options exercisable at \$0.40 each to Taurus Capital Group as part consideration for corporate advisory services. These options were issued on 28 June 2024.
- On 1 July 2024, the company issued 1,500,000 fully paid ordinary shares on the conversion of zero exercise price options.
- On 7 August 2024, the company issued 150,000 deferred shares to employees as part of the employee incentive scheme.
- On 14 August 2024, the company issued 225,000 fully paid ordinary shares to employees as part of the employee incentive scheme.
- On 14 August 2024, the company issued 1,500,000 fully paid ordinary shares on the conversion of options to Christopher Connell.
- On 30 August 2024, the company issued 1,500,000 performance rights in three tranches of 500,000 with varying expiry dates to newly appointed non-executive director Kevin Smith as part of his remuneration package.
- On 15 September 2024, the company issued 2,500,000 fully paid ordinary shares on the conversion of options.

Matters subsequent to the end of the financial half-year

On 16 October 2024, 500,000 unlisted options with an exercise price of \$0.30 expired.

On 14 November 2024, the company announced it had raised \$8,000,000 in a placement via the issue of 32,000,000 fully paid ordinary shares at \$0.25 per share. The company will use these funds to further advance its lithium exploration and development programs located in the Black Hills of South Dakota, USA. Nasdaq-listed Stardust Power Inc. (NASDAQ: SDST), a US developer of battery grade lithium products, subscribed for \$2,500,000 of the total placement, with a right to subscribe for a further \$2,500,000 subject to conditions under a 90-day exclusivity period.

On 25 November 2024, the company announced that an additional 40,000 shares had been issued as part of the above placement at \$0.25 per share, raising a further \$10,000. In addition, the Company clarified the terms of the separate subscription agreement entered with Stardust Power Inc., pursuant to which they committed the initial \$2,500,000 to the placement. Under the subscription agreement, Stardust Power Inc. agreed to subscribe for a separate and additional 10,000,000 shares at \$0.25 per share, together with 2 free-attaching warrants for every 1 share subscribed for and issued. The warrants are exercisable at \$0.40 per warrant and expire on the date that is two years from the date of issue.

On 9 December 2024, the company announced the settlement of its recent capital raising program and that all funds had been received, including the funds from Stardust Power Inc., completing a successful raise of \$8,010,000.

On 10 December 2024, the company announced the issuance of 1,259,400 fully paid ordinary shares in respect of the Tin Mountain ASX announcement, released 11 January 2024. These shares were granted for accounting purposes during the period ended 31 March 2024, however were not issued until finalisation of allotment details and an amendment agreement.

No other matter or circumstance has arisen since 30 September 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.

Environmental impact

The exploration undertaken on the consolidated entity's combined tenements in Western Australia and South Dakota to date has not created significant environmental issues. However, environmental issues will arise as and when the company moves into development and production and these issues will be thoroughly assessed at the time any mining authority is sought. Measures are undertaken pre and post drilling to ensure that the environmental impact is minimised. The work undertaken to date has produced minimal impact on the environment. No issues regarding compliance were encountered during the reporting period.

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



Peter Ashley Marks
Director



Tal Paneth
Director

12 December 2024

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

To the directors of IRIS Metals Limited

As lead auditor for the review of IRIS Metals Limited for the half-year ended 30 September 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 IRIS Metals Limited and the entities it controlled during the year.

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



N. S. Benbow
Director
Melbourne, 12 December 2024

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General information

The financial statements cover IRIS Metals Limited as a consolidated entity consisting of IRIS Metals Limited (the 'company' or 'parent entity') and the entities it controlled (the 'consolidated entity') at the end of, or during, the period. The financial statements are presented in Australian dollars, which is IRIS Metals Limited's functional and presentation currency.

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

Registered office and principal place of business

Suite 205
9-11 Claremont Street
South Yarra, VIC 3143

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 12 December 2024.

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IRIS Metals Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 30 September 2024



		Consolidated	
	Note	30 September 2024	30 September 2023
		\$	\$
Income			
Interest income		38,368	86,055
Expenses			
Corporate and administrative costs	3	(1,226,409)	(9,505,455)
Depreciation and amortisation expense		(42,211)	(16,092)
Finance costs		(2,387)	(8,917)
Impairment of assets		(884,716)	-
Loss on disposal of assets		(28,480)	-
Transaction costs of ASX reconciliation		-	(432,326)
Loss before income tax expense		(2,145,835)	(9,876,735)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of IRIS Metals Limited		(2,145,835)	(9,876,735)
Other comprehensive (loss)/income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(558,655)	280,383
Other comprehensive (loss)/income for the half-year, net of tax		(558,655)	280,383
Total comprehensive loss for the half-year attributable to the owners of IRIS Metals Limited		(2,704,490)	(9,596,352)
		Cents	Cents
Basic loss per share		(1.53)	(8.47)
Diluted loss per share		(1.53)	(8.47)

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

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IRIS Metals Limited
Statement of financial position
As at 30 September 2024



	Note	Consolidated	
		30 September 2024	31 March 2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		2,227,862	9,794,751
Other receivables		120,219	37,027
Other assets		13,390	63,304
		2,361,471	9,895,082
Assets of disposal groups classified as held for sale		-	1,081,089
Total current assets		2,361,471	10,976,171
Non-current assets			
Environmental bonds		202,460	153,045
Property, plant and equipment		370,689	330,005
Intangibles		16,872	20,916
Capitalised exploration and evaluation	4	32,866,722	29,496,221
Advance payments to suppliers		-	451,746
Total non-current assets		33,456,743	30,451,933
Total assets		35,818,214	41,428,104
Liabilities			
Current liabilities			
Trade and other payables		767,361	1,425,273
Employee benefits		41,506	41,612
Provisions		30,000	30,000
Total current liabilities		838,867	1,496,885
Non-current liabilities			
Employee benefits		1,304	961
Total non-current liabilities		1,304	961
Total liabilities		840,171	1,497,846
Net assets		34,978,043	39,930,258
Equity			
Issued capital	5	54,332,962	50,169,095
Reserves		14,494,714	21,464,961
Accumulated losses		(33,849,633)	(31,703,798)
Total equity		34,978,043	39,930,258

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

IRIS Metals Limited
Statement of changes in equity
For the half-year ended 30 September 2024



Consolidated	Issued capital \$	Share-based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 April 2023	15,840,203	10,459,211	-	(14,382,053)	11,917,361
Loss after income tax expense for the half-year	-	-	-	(9,876,735)	(9,876,735)
Other comprehensive income for the half-year, net of tax	-	-	280,383	-	280,383
Total comprehensive income/(loss) for the half-year	-	-	280,383	(9,876,735)	(9,596,352)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	15,902,374	228,147	-	-	16,130,521
Issue of ordinary shares as consideration for acquisition of assets	3,400,000	-	-	-	3,400,000
Issue of ordinary shares and options as consideration for acquisition of subsidiary	4,675,000	1,005,901	-	-	5,680,901
Exercise of options, net of transaction costs (note 5)	963,601	(464,351)	-	-	499,250
Vesting of options and performance rights issued in current period	-	2,464,818	-	-	2,464,818
Vesting of options and performance rights issued in prior periods	-	4,091,617	-	-	4,091,617
Transfer of vesting charge on exercise of zero exercise price options	1,050,000	(1,050,000)	-	-	-
Transfer of vesting charge on exercise of performance rights	630,000	(630,000)	-	-	-
Vesting of deferred shares	315,000	575,437	-	-	890,437
Balance at 30 September 2023	<u>42,776,178</u>	<u>16,680,780</u>	<u>280,383</u>	<u>(24,258,788)</u>	<u>35,478,553</u>

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

IRIS Metals Limited
Statement of changes in equity
For the half-year ended 30 September 2024



Consolidated	Issued capital \$	Share-based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 April 2024	50,169,095	20,626,593	838,368	(32,972,244)	38,661,812
Loss after income tax expense for the half-year	-	-	-	(2,145,835)	(2,145,835)
Other comprehensive loss for the half-year, net of tax	-	-	(558,655)	-	(558,655)
Total comprehensive loss for the half-year	-	-	(558,655)	(2,145,835)	(2,704,490)
<i>Transactions with owners in their capacity as owners:</i>					
Share issue transaction costs (note 5)	(16,627)	-	-	-	(16,627)
Ordinary share tranches vesting upfront as payment for exploration and evaluation (note 5)	4,500	-	-	-	4,500
Ordinary share tranches vesting upfront as payment to consultant (note 5)	17,000	-	-	-	17,000
Vesting of options and performance rights issued in current period	-	26,610	-	-	26,610
Reversal of vesting charge on options and performance rights due to the non-fulfilment of non-market vesting criteria	-	(1,429,335)	-	-	(1,429,335)
Transfer of vesting charge on exercise of zero exercise price options	4,740,000	(4,740,000)	-	-	-
Vesting of deferred shares	-	114,799	-	-	114,799
Transfer of vesting charge on expiry of performance rights due to the non-fulfilment of market vesting criteria	-	(829,680)	-	829,680	-
Reversal of vesting charge on expiry of options	-	(438,766)	-	438,766	-
Options issued to broker as costs of capital raising	-	884,780	-	-	884,780
Reversal of vesting charge on capitalised exploration and evaluation	(581,006)	-	-	-	(581,006)
Balance at 30 September 2024	<u>54,332,962</u>	<u>14,215,001</u>	<u>279,713</u>	<u>(33,849,633)</u>	<u>34,978,043</u>

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

IRIS Metals Limited
Statement of cash flows
For the half-year ended 30 September 2024



	Consolidated	
	30	30
	September	September
Note	2024	2023
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(1,605,089)	(1,969,415)
Interest and other finance costs paid	(2,333)	(8,917)
Interest received	38,330	-
	<u> </u>	<u> </u>
Net cash used in operating activities	(1,569,092)	(1,978,332)
Cash flows from investing activities		
Cash acquired on acquisition of subsidiary	-	115,614
Payments for property, plant and equipment	(50,687)	-
Payments for exploration and evaluation	(5,767,472)	(5,002,293)
Payments for mining bonds	(119,400)	-
	<u> </u>	<u> </u>
Net cash used in investing activities	(5,937,559)	(4,886,679)
Cash flows from financing activities		
Proceeds from issue of shares	-	15,000,000
Proceeds from exercise of share options	-	499,250
Cost of issue of shares	5 (16,627)	(1,241,274)
Repayment of borrowings	-	(76,073)
	<u> </u>	<u> </u>
Net cash (used in)/from financing activities	(16,627)	14,181,903
Net (decrease)/increase in cash and cash equivalents	(7,523,278)	7,316,892
Cash and cash equivalents at the beginning of the financial half-year	9,794,751	675,416
Effects of exchange rate changes on cash and cash equivalents	(43,611)	6,597
	<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial half-year	<u>2,227,862</u>	<u>7,998,905</u>

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

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Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 30 September 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 the annual report for the year ended 31 March 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

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.

Note 2. Operating segments

The consolidated entity is organised into 2 operating segments: Australia and the USA. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Australia	Mining exploration and evaluation in Australia
USA	Mining exploration and evaluation in the USA

Operating segment information

	Australia \$	USA \$	Total \$
Consolidated - 30 September 2024			
EBITDA	(893,674)	(1,248,318)	(2,141,992)
Depreciation and amortisation expense	(7,421)	(34,790)	(42,211)
Interest	38,368	-	38,368
Loss before income tax expense	<u>(862,727)</u>	<u>(1,283,108)</u>	<u>(2,145,835)</u>
Income tax expense			-
Loss after income tax expense			<u>(2,145,835)</u>
Assets			
Segment assets	<u>2,573,192</u>	<u>33,245,022</u>	<u>35,818,214</u>
Total assets			<u>35,818,214</u>
Liabilities			
Segment liabilities	<u>257,308</u>	<u>582,863</u>	<u>840,171</u>
Total liabilities			<u>840,171</u>

*Included within EBITDA is \$392,819 of a net gain on share-based payment due to writebacks of previously expensed amounts. There is \$500,945 of a gain attributable to the Australia segment and \$108,127 of an expense to the USA segment. EBITDA excluding share-based payments is a loss of \$2,535,613. \$1,395,422 of the EBITDA loss excluding share-based payments is attributable to the Australia segment and \$1,140,191 to the USA segment.

Note 2. Operating segments (continued)

Consolidated - 30 September 2023	Australia \$	USA \$	Total \$
EBITDA*	(8,000,368)	(1,937,414)	(9,937,782)
Depreciation and amortisation	(9,281)	(6,810)	(16,091)
Interest revenue	86,055	-	86,055
Finance costs	(8,917)	-	(8,917)
Loss before income tax expense	<u>(7,932,511)</u>	<u>(1,944,224)</u>	<u>(9,876,735)</u>
Income tax expense			-
Loss after income tax expense			<u>(9,876,735)</u>
Assets			
Segment assets	12,493,089	25,042,396	37,535,485
Total assets			<u>37,535,485</u>
Liabilities			
Segment liabilities	1,785,615	271,317	2,056,932
Total liabilities			<u>2,056,932</u>

*Included within EBITDA is \$7,233,881 of share-based payments, \$5,570,907 of which is attributable to the Australia segment and \$1,662,974 to the USA segment. EBITDA excluding share-based payments is \$2,703,901. \$2,429,461 of EBITDA excluding share-based payments is attributable to the Australia segment and \$274,440 to the USA segment.

Note 3. Corporate and administrative costs

	Consolidated 30 September 2024 \$	30 September 2023 \$
Administration expenses	327,421	574,979
Consultancy fees	214,870	162,056
Employee benefits expense	627,096	675,204
Marketing and promotion expenses	54,066	37,336
Other expenses	3,407	94,962
Professional fees	392,367	727,037
Share-based payment - directors and employees*	(1,198,834)	4,425,499
Share-based payment - business development and consultancy fees **	806,016	2,808,382
	<u>1,226,409</u>	<u>9,505,455</u>

*In the current period there was a net gain on share-based payments due to writebacks of previously expensed amounts. This was primarily due to the cancellation of performance rights following the resignation of a director.

**Share-based payments for business development and consultancy fees relates to the allotment of options to several corporate advisors engaged in corporate and investor relations functions such as marketing, advisory services, marketing-related tasks, connecting with potential off-take partners, engaging local and offshore investors, and coordinating investor presentations, among other responsibilities. This involvement involved introductions with potential US partners and facilitating initial and subsequent meetings.

Significant decrease in corporate and administrative costs in the current period compared to 2023 were largely driven by large reductions in share-based payments to directors and share based-payments to employees and business development and consultancy fees. This was due to numerous options and performance rights having either expired (with writeback of previously expensed amounts) or been exercised during the current period. Additionally there were lower administrative expenses in the current year mainly due to higher ASX and legal fees in the previous period associated with ASX re-compliance.

Note 4. Capitalised exploration and evaluation

	Consolidated	
	30 September 2024	31 March 2024
	\$	\$
Capitalised exploration and evaluation		
<i>Areas of interest</i>		
Leonora	801,632	764,860
Kookynie	1,140,451	-
Custer	5,351,567	5,961,632
Dewey	1,571,597	2,268,308
Tin Mountain	1,261,100	1,242,504
Edison	3,147,107	3,329,346
Tinton	137,120	145,114
Longview	19,398,953	15,669,987
Keystone	57,195	114,470
	<u>32,866,722</u>	<u>29,496,221</u>

Reconciliations

Reconciliations of the values of capitalised exploration and evaluation projects at the beginning and end of the current financial half-year are set out below:

Consolidated	Leonora	Kookynie	Custer	Dewey	Tin Mountain	Edison	Tinton	Longview	Keystone	Total
Balance at 1 April 2024	764,860	-	5,961,632	2,268,308	1,242,504	3,329,346	145,114	15,669,987	114,470	29,496,221
Additions	36,772	59,362	-	-	5,652	-	-	4,173,920	-	4,275,706
Share-based payments - issuance of deferred shares as payment for capitalised exploration and evaluation	-	-	-	-	-	-	-	8,781	-	8,781
Transfer of assets	-	-	-	(79,575)	79,575	-	-	-	-	-
Share-based payments - issuance of ordinary shares (note 5)	-	-	-	-	-	-	-	4,500	-	4,500
Write-back of assets held for sale	-	1,081,089	-	-	-	-	-	-	-	1,081,089
Impairment of capitalised exploration asset	-	-	(281,652)	(492,180)	-	-	-	-	(50,969)	(824,801)
Reversal of vesting charge on capitalised exploration and evaluation	-	-	-	-	-	-	-	(581,006)	-	(581,006)
Foreign exchange	-	-	(328,413)	(124,956)	(66,631)	(182,239)	(7,994)	122,771	(6,306)	(593,768)
Balance at 30 September 2024	<u>801,632</u>	<u>1,140,451</u>	<u>5,351,567</u>	<u>1,571,597</u>	<u>1,261,100</u>	<u>3,147,107</u>	<u>137,120</u>	<u>19,398,953</u>	<u>57,195</u>	<u>32,866,722</u>

Write-back of assets

On 15 July 2024 it was announced that the proposed sale of the Kookynie gold project has been terminated. As the asset no longer satisfies the conditions required to be classified as being held for sale, the asset value has been written back to capitalised exploration and evaluation expenditure above.

Note 4. Capitalised exploration and evaluation (continued)

Impairment of capitalised exploration assets

During the period, the consolidated entity undertook an internal assessment of its South Dakota claims, prior to their annual renewal on 1 October 2024. This assessment concluded that a number of claims across the Custer, Dewey and Keystone projects should not be renewed due to non-viable geology, access issues, and/or did not align with the consolidated entity's social license to operate within the Black Hills area of South Dakota. Due to the non-renewal of the claims, management have decided to impair the current value of the claims by \$824,801.

None of the impaired South Dakota claims relate to the Edison or Tinton tenements and as such their value has not been impaired. There was no expenditure on these tenements in the half-year due to a shift in focus to other tenements. Management note that there are no plans to relinquish these projects, and further exploration spend is planned in the future.

Note 5. Issued capital

	Consolidated			
	30 September 2024 Shares	31 March 2024 Shares	30 September 2024 \$	31 March 2024 \$
Ordinary shares - fully paid	<u>144,609,982</u>	<u>139,034,982</u>	<u>54,332,962</u>	<u>50,169,095</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 April 2024	139,034,982		50,169,095
Issue of shares - exercise of zero exercise price options	1 July 2024	1,500,000	\$0.00	-
Ordinary share tranches vesting upfront as payment to consultant	14 August 2024	50,000	\$0.34	17,000
Ordinary share tranches vesting upfront as payment for exploration and evaluation	14 August 2024	25,000	\$0.18	4,500
Issue of shares - exercise of zero exercise price options	14 August 2024	1,500,000	\$0.00	-
Issue of shares - exercise of zero exercise price options	15 September 2024	2,500,000	\$0.00	-
Vesting charge transferred from share-based payment reserve on conversion of options and performance rights				4,740,000
Reversal of vesting charge on capitalised exploration and evaluation				(581,006)
Costs of capital raise				(16,627)
Balance	30 September 2024	<u>144,609,982</u>		<u>54,332,962</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.

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

Share buy-back

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

Note 6. Commitments and contingencies

The consolidated entity has minimum expenditure requirements on its Western Australian tenements that amount to \$648,800 for the 12 month period ended 31 March 2025 (31 March 2024: \$584,800). Note that each tenement has a different anniversary in which to meet minimum expenditure. The consolidated entity has met its minimum expenditure requirements for the period ended 30 September 2024.

There are no minimum spend requirements in relation to any of the consolidated entity's patented or BLM claims in South Dakota.

The company has royalty arrangements as follows:

- 0.75% gross smelter royalty applicable to tenure in Leonora comprising acquisition associates with Ross Crew group;
- 1.25% net smelter royalty across IRIS's South Dakota BLM tenure;
- 2% net smelter royalty at Beecher and Longview properties in South Dakota; and
- USD\$50k upon decision to mine and USD\$50 per ton of spodumene mined at Beecher Extended and Black Diamond properties.

There are no further contractual commitments or contingent liabilities at 30 September 2024 (31 March 2024: none).

Note 7. Events after the reporting period

On 16 October 2024, 500,000 unlisted options with an exercise price of \$0.30 expired.

On 14 November 2024, the company announced it had raised \$8,000,000 in a placement via the issue of 32,000,000 fully paid ordinary shares at \$0.25 per share. The company will use these funds to further advance its lithium exploration and development programs located in the Black Hills of South Dakota, USA. Nasdaq-listed Stardust Power Inc. (NASDAQ: SDST), a US developer of battery grade lithium products, subscribed for \$2,500,000 of the total placement, with a right to subscribe for a further \$2,500,000 subject to conditions under a 90-day exclusivity period.

On 25 November 2024, the company announced that an additional 40,000 shares had been issued as part of the above placement at \$0.25 per share, raising a further \$10,000. In addition, the Company clarified the terms of the separate subscription agreement entered with Stardust Power Inc., pursuant to which they committed the initial \$2,500,000 to the placement. Under the subscription agreement, Stardust Power Inc. agreed to subscribe for a separate and additional 40,000,000 shares at \$0.25 per share, together with 2 free-attaching warrants for every 1 share subscribed for and issued. The warrants are exercisable at \$0.40 per warrant and expire on the date that is two years from the date of issue.

On 9 December 2024, the company announced the settlement of its recent capital raising program and that all funds had been received, including the funds from Stardust Power Inc., completing a successful raise of \$8,010,000.

On 10 December 2024, the company announced the issuance of 1,259,400 fully paid ordinary shares in respect of the Tin Mountain ASX announcement, released 11 January 2024. These shares were granted for accounting purposes during the period ended 31 March 2024, however were not issued until finalisation of allotment details and an amendment agreement.

No other matter or circumstance has arisen since 30 September 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.

Note 8. Share-based payments

During the period, the following unquoted securities were issued:

Grant date	Expiry date	Exercise price	Type	Granted	Conditions
20/06/2024	13/09/2025	\$0.00	Performance rights	500,000	Class F - Director performance rights.*
20/06/2024	13/03/2025	\$0.00	Performance rights	500,000	Class G - Director performance rights.*
20/06/2024	13/09/2026	\$0.00	Performance rights	500,000	Class H - Director performance rights.*
28/06/2025	31/12/2025	\$0.40	Options	6,500,000	Granted as cost of capital raise to Taurus Capital Group.
				<u>8,000,000</u>	

Note 8. Share-based payments (continued)

*The vesting conditions attached to classes F to H of the performance rights granted are set out below:

- **Class F:** subject to continuous service requirements of 6 months from the date of issue.
- **Class G:** subject to continuous service requirements of 12 months from the date of issue.
- **Class H:** subject to continuous service requirements of 18 months from the date of issue.

During the period, the following deferred shares were issued:

Grant date	Vesting date	Exercise price	Type	Granted	Conditions
07/08/2024	01/03/2025	\$0.00	Deferred shares	50,000	Deferred shares granted under the employee incentive plan.
07/08/2024	14/08/2025	\$0.00	Deferred shares	50,000	Deferred shares granted under the employee incentive plan.
07/08/2024	14/08/2025	\$0.00	Deferred shares	25,000	Deferred shares granted under the employee incentive plan.
07/08/2024	14/08/2026	\$0.00	Deferred shares	25,000	Deferred shares granted under the employee incentive plan.
				<u>150,000</u>	

Under the employee securities incentive plan, eligible participants (the 'recipients') may be awarded deferred shares in exchange for goods or services. The deferred shares convert into one ordinary share each on vesting at an exercise price of nil. The recipients do not receive any dividends and are not entitled to vote in relation to the deferred shares during the vesting period. If a recipient ceases to be employed or engaged by the consolidated entity within this period, the deferred shares will be forfeited, except in limited circumstances that are approved by the board and/or on a case-by-case basis.

The number of fully paid ordinary shares to be granted upon conversion of the deferred shares is fixed at the date of grant.

The fair value of the deferred shares at grant date was estimated by taking the market price of the company's shares on that date less the present value of expected dividends that will not be received by the recipients on their rights during the relevant vesting period. Dividends for all deferred shares disclosed above have been estimated at nil.

The fair value is recognised as an expense over the relevant service period, which is the vesting period of the deferred shares.

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Note 8. Share-based payments (continued)

Set out below are summaries of options and rights on issue as at 30 September 2024:

30 September
2024

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
28/02/2021	15/09/2024	\$0.00	1,250,000	-	-	(1,250,000)	-
15/09/2021	15/09/2024	\$0.40	1,950,000	-	-	(1,950,000)	-
15/10/2021	15/10/2024	\$0.40	500,000	-	-	-	500,000
15/08/2022	15/09/2024	\$0.00	1,000,000	-	(1,000,000)	-	-
15/08/2022	31/07/2025	\$0.40	1,500,000	-	-	-	1,500,000
02/06/2022	31/07/2025	\$0.40	4,000,000	-	-	-	4,000,000
15/08/2022	31/07/2025	\$0.40	4,100,000	-	-	-	4,100,000
11/07/2022	31/07/2025	\$0.40	6,000,000	-	-	-	6,000,000
11/07/2022	31/07/2025	\$0.00	1,500,000	-	(1,500,000)	-	-
30/08/2022	31/07/2025	\$0.40	2,000,000	-	-	-	2,000,000
30/08/2022	31/07/2025	\$0.00	5,000,000	-	(3,000,000)	(2,000,000)	-
30/08/2022	31/01/2026	\$1.20	500,000	-	-	-	500,000
31/01/2023	31/01/2025	\$1.50	750,000	-	-	-	750,000
05/05/2023	14/06/2025	\$1.50	7,377,500	-	-	-	7,377,500
05/05/2023	14/06/2025	\$1.50	750,000	-	-	-	750,000
05/05/2023	14/06/2026	\$1.50	2,500,000	-	-	-	2,500,000
05/05/2023	30/06/2024	\$0.00	2,400,000	-	-	(2,400,000)	-
05/05/2023	14/06/2025	\$0.00	2,400,000	-	-	(1,000,000)	1,400,000
05/05/2023	31/12/2024	\$0.00	2,400,000	-	-	(1,000,000)	1,400,000
05/05/2023	30/06/2025	\$0.00	2,400,000	-	-	(1,000,000)	1,400,000
05/05/2023	30/06/2026	\$0.00	2,400,000	-	-	(1,000,000)	1,400,000
28/06/2023	10/07/2026	\$1.50	300,000	-	-	(300,000)	-
28/06/2023	10/07/2026	\$2.00	300,000	-	-	(300,000)	-
28/06/2023	10/07/2027	\$2.50	300,000	-	-	(300,000)	-
10/08/2023	14/06/2025	\$1.50	266,241	-	-	-	266,241
15/08/2023	14/06/2025	\$1.50	250,000	-	-	-	250,000
20/06/2024	13/09/2025	\$0.00	-	500,000	-	-	500,000
20/06/2024	13/09/2026	\$0.00	-	500,000	-	-	500,000
20/06/2024	13/09/2026	\$0.00	-	500,000	-	-	500,000
28/06/2024	31/12/2025	\$0.40	-	6,500,000	-	-	6,500,000
			54,093,741	8,000,000	(5,500,000)	(12,500,000)	44,093,741
Weighted average exercise price			\$0.52	\$0.33	\$0.00	\$0.21	\$0.64

The weighted average remaining contractual life of options and rights outstanding at the end of the financial half-year was 0.91 years (30 September 2023: 1.73 years).

Note 8. Share-based payments (continued)

Set out below are summaries of deferred shares on issue as at 30 September 2024:

30 September 2024

Grant date	Vesting date	Exercise price	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
13/05/2022	13/05/2023	\$0.00	500,000	-	-	-	500,000
13/05/2022	13/05/2024	\$0.00	500,000	-	-	-	500,000
13/05/2022	13/05/2025	\$0.00	500,000	-	-	-	500,000
28/06/2023	13/05/2026	\$0.00	300,000	-	-	(300,000)	-
07/08/2024	01/03/2025	\$0.00	-	50,000	-	-	50,000
07/08/2024	14/08/2025	\$0.00	-	50,000	-	-	50,000
07/08/2024	14/08/2025	\$0.00	-	25,000	-	-	25,000
07/08/2024	14/08/2026	\$0.00	-	25,000	-	-	25,000
			<u>1,800,000</u>	<u>150,000</u>	<u>-</u>	<u>(300,000)</u>	<u>1,650,000</u>

The weighted average remaining contractual life of deferred shares outstanding at the end of the financial half-year was 0.64 years (30 September 2023: 1.53 years).

Share-based payments in relation to unlisted securities and deferred shares during the period ended 30 September 2024 were recognised as follows:

- \$78,764 of a gain was recognised as a gain on reversal of share-based payment expenditure for business development and consultancy fees in the statement of profit or loss (note 3);
- \$1,198,834 was recognised as a gain on reversal of share-based payment expenditure to directors and employees in the statement of profit or loss (note 3);
- \$21,500 was recognised directly in issued capital via the issuance of deferred shares (note 5); and
- \$884,780 was recognised as costs of capital raising in the statement of changes in equity (note 5).

For the unlisted securities granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
20/06/2024	13/09/2025	\$0.29	\$0.00	118.42%	-	3.91%	\$0.290
20/06/2024	13/09/2026	\$0.29	\$0.00	118.42%	-	3.91%	\$0.290
20/06/2024	13/09/2026	\$0.29	\$0.00	118.42%	-	3.91%	\$0.290
24/06/2024	31/12/2025	\$0.29	\$0.40	118.42%	-	3.91%	\$0.136

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 September 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



Peter Ashley Marks
Director



Tal Paneth
Director

12 December 2024

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Independent auditor's review report to the members of IRIS Metals 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 IRIS Metals 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 September 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 September 2024,
- the consolidated 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 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.

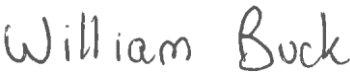
Responsibilities of the directors for the financial report

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 September 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



N. S. Benbow
Director
Melbourne, 12 December 2024