



DYNAMIC METALS LIMITED

ABN 37 659 154 480

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

For personal use only

DIRECTORY

Board and Management

Justin Mannolini	Non-Executive Chairman
Lindsay Dudfield	Non-Executive Director
Karen Wellman	Managing Director & Chief Executive Officer
Nerida Schmidt	Company Secretary

Registered Office & Principal Place of Business

Level 1
33 Richardson Street
West Perth, WA 6005

PO Box 247
West Perth WA 6872

Telephone:	+61 (8) 6558 0637
Email:	enquiry@dynamicmetals.com.au
Web:	www.dynamicmetals.com.au

Auditors

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco, WA 6008

Legal Advisors

Hamilton Locke
L27, 152-158 St Georges Terrace
Perth, WA 6000

Share Registry

Automic Group
Level 5, 191 St Georges Terrace
Perth, WA 6000
Telephone: +61 (2) 9698 5414

Securities Exchange Listing

The Company is listed on:

The Australian Securities Exchange Ltd ("ASX")
Home Exchange: Perth, Western Australia
ASX Code: DYM

CONTENTS

DIRECTORS' REPORT	1
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	13
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	14
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	15
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	16
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	17
DIRECTORS' DECLARATION	21
AUDITOR'S INDEPENDENT REVIEW REPORT	22
AUDITOR'S INDEPENDENCE DECLARATION	24

DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Dynamic Metals Limited (**Dynamic or the Group**) and the entities it controlled for the half-year ended 31 December 2023.

Directors

The following persons were directors of Dynamic Metals Limited during or since the end of the half-year unless otherwise stated:

Justin Mannolini
Karen Wellman
Lindsay Dudfield

Principal activities

The principal activity of Dynamic Metals Limited during the half year was mineral exploration in Australia. During the half year there was no change in the nature of this activity.

Financial results

The consolidated loss of the Group after providing for income tax for the half year ended 31 December 2023 was \$236,428 (2022: \$178,601).

Dividends

No dividends have been declared since the end of the previous financial year and no dividends have been recommended by the Directors.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the half year.

Review of operations

Dynamic's strategy is to advance its portfolio of critical minerals projects through a systematic approach to exploration. During the period, the Group undertook exploration activities on its existing tenement holding and applied for prospective tenements in Western Australia which it will continue to explore.

The Company has had a productive second half as a listed entity, completing comprehensive first pass reconnaissance sampling programs for lithium at the Pioneer Dome West, Spargos East and Franks Far Southeast areas, 1,092m of RC drilling at the Democrat D3 and D5 nickel prospects (both part of the Company's Widgiemooltha Project) and 924m of RC drilling at Lake Percy. In addition, assays were received for several AC programs completed in the previous quarter. A summary of the second half field activities can be found in Table 1. Field Activity Summary with a project location map for reference in Figure 1.

EXPLORATION PROJECTS

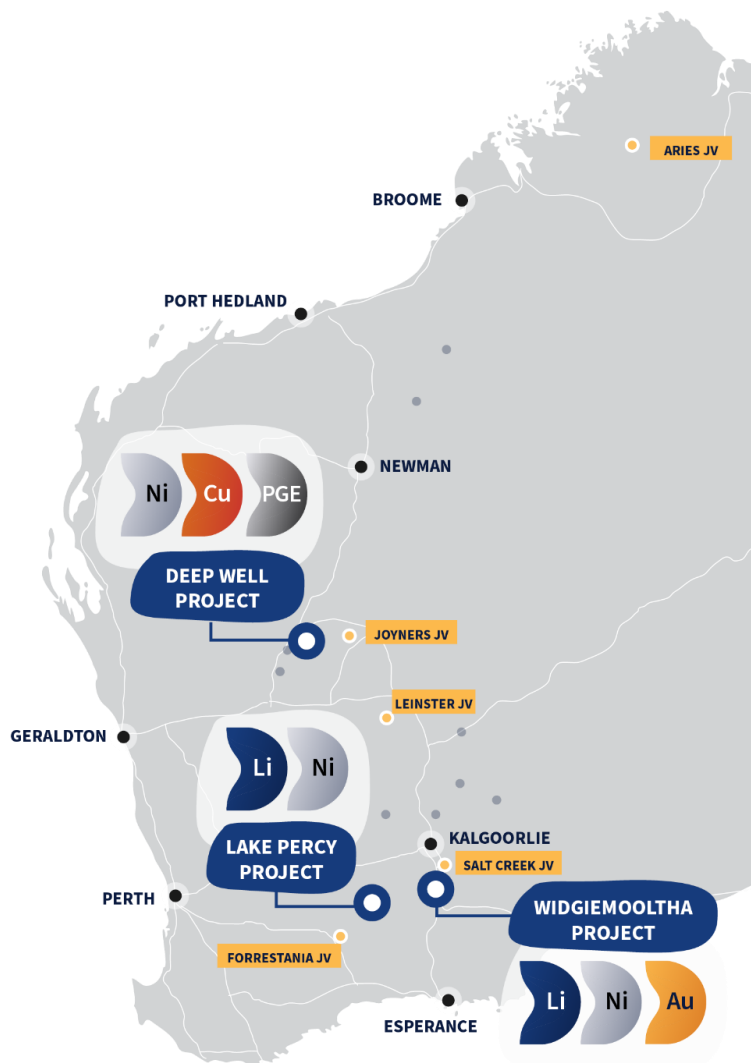


Figure 1. Map of Dynamic Metals projects in Western Australia

Project	Prospect	Commodity	Program	Samples	Metres drilled
Widgiemooltha	Pioneer Dome West	Li	Soil Sampling	1,900	N/A
	Pioneer Dome West	Li	Auger Sampling	580	N/A
	D3 & D5	Ni	RC Drilling	546	1,092
	Spargos East	Li	Soil Sampling	336	N/A
	Franks Far Southeast	Li	Soil Sampling	544	N/A
Lake Percy	LP1 and LP2	Ni	RC Drilling	462	924
Total				4,368	2,016

Table 1. Field Activity Summary

WIDGIEMOOLTHA PROJECT

The Widgiemooltha Project is located approximately 550km east of Perth and centred 100km south of Kalgoorlie (Figure 1). The project lies within a known corridor of world class komatiitic nickel sulphide deposits and orogenic gold deposits and historic exploration activities have been centred on these two commodities. More recently the project area has emerged as a significant lithium belt with three lithium-caesium-tantalum ("LCT") pegmatite related mines developed in the past few years.

Drilling activities in the September quarter occurred at the Democrat D3 and D5 nickel prospects whilst assay results were received for Dordie Far West, Sunday Soak, Mandilla and Higginsville Prospects (drilled in the previous half year). A large regional soil sampling program targeting lithium was undertaken at Pioneer Dome West (Figure 2). Exploration activities in the December quarter were focussed on the reconnaissance soil sampling programs at Spargos East¹ and Franks Far Southeast² prospects. Auger sampling was undertaken at Pioneer Dome West³ to follow up a large lithium anomaly identified in the September quarter⁴.

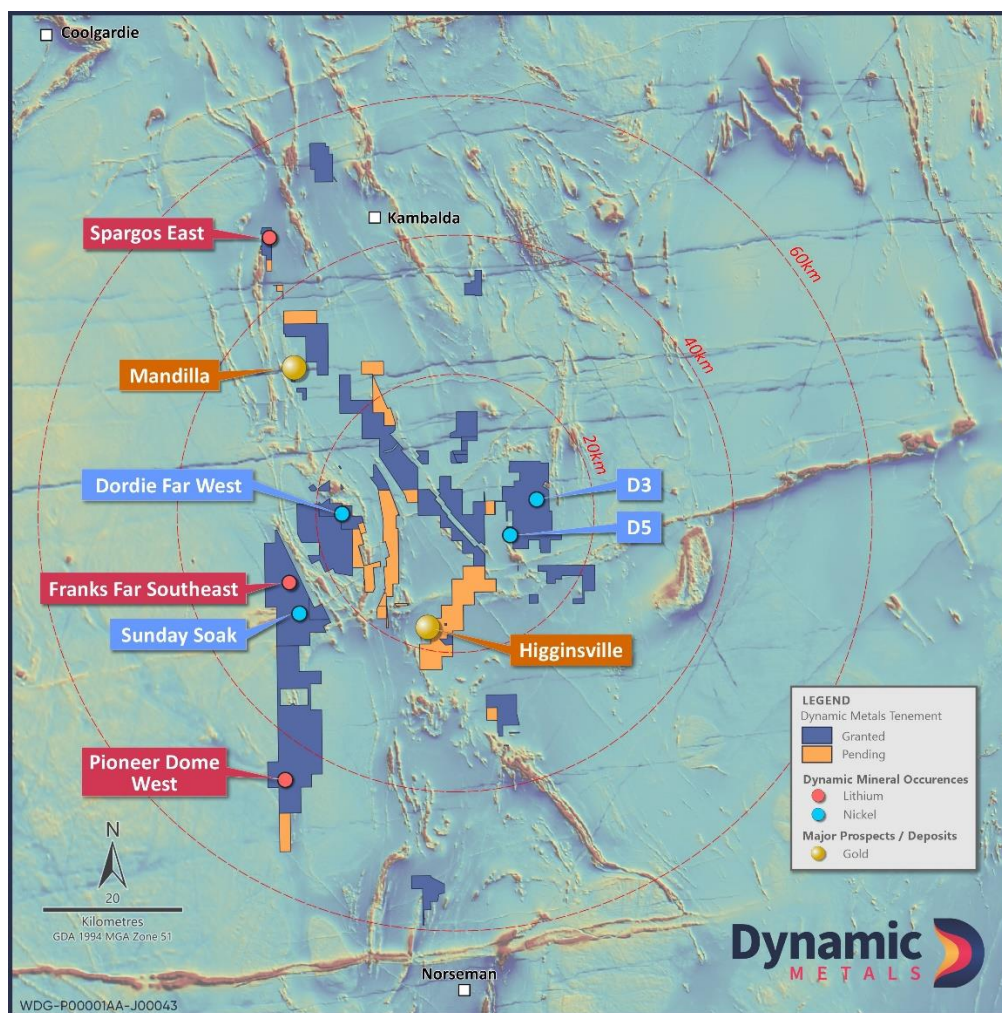


Figure 2. Widgiemooltha Project map highlighting areas where exploration occurred in the half end 31 December 2023.

Spargos East Lithium Prospect

Approximately 336 soil samples were taken at the Spargos East prospect in November targeting LCT type pegmatites associated with the contact between volcanoclastic and mafic/ultramafic units. Soil samples were taken on lines 400m apart with samples spaced 40m on each line.

Assays returned from Spargos East highlight a robust and consistent lithium anomaly in soils over 100ppm lithium (Li) with peak assays of 190 ppm (equivalent of 409ppm Li_2O)¹. The potential for LCT mineralisation is supported by rubidium (up to 492 ppm Rb), tantalum (up to 57 ppm Ta) and caesium (up to 64 ppm Cs).

Importantly, the Spargos East prospect is located only 14km south of Mineral Resources' Mt Marion lithium mining and processing operations⁵.

Franks Far Southeast Lithium Prospect

Approximately 544 soil samples were taken at the Franks Far Southeast prospect in November as part of the Company's strategic plan to systematically explore for LCT type pegmatites associated with the contact between volcanoclastic and mafic/ultramafic units. Soil samples were taken on lines 400m apart with 40m spacing on each line.

The Company announced the results of the soil sampling program in January². Two large new lithium anomalies have been identified, each over 1,000m in strike length and 300m to 600m wide. Additionally, the southernmost target has strong support from historic rock chip samples assaying up to 1,010ppm Li (equivalent of 2,172 ppm Li_2O).

Pioneer Dome Lithium Prospect

Dynamic's exploration licence 15/1721 ("Chalice South") is adjacent to Develop Group's (ASX: DVP) Dome North lithium project⁶ and covers 20km of strike along the highly prospective western side of the Pioneer Dome. Previous exploration activities were focussed on gold and nickel potential, so limited historical geochemical information on lithium and related elements exists for this tenement.

During the September quarter, the Company completed a large first pass regional soil program to obtain appropriate geochemical data for target generation.

In the December quarter, the Company announced the results of the program in which a 2.8km lithium enriched trend was identified⁴. Also during the December quarter Dynamic announced the results of the auger sampling with the most significant results at the PDWS01 target, where assay results demonstrate coincident lithium, rubidium and caesium anomalies peaking at 182ppm Li, 328 ppm Rb, and 70ppm Cs.

Higginsville Gold Prospect

The Higginsville prospect is located within 1km of Karora Resources Inc's (TSX: KRR) Higginsville Mining Operations. The prospect was first identified in the early 2000s when WMC defined a 1.3km gold anomaly from surface geochemistry and completed wide spaced AC drilling based on structural interpretation suggesting the presence of an interpreted fault complex⁶. An intercept of 4m @ 3.42g/t was returned in drillhole WID42534 from this drilling.

DIRECTORS' REPORT

In June 2023 the Company completed 16 AC drillholes for 659m in an 80m x 50m pattern over Dynamic's tenement to systemically collect bedrock geochemical information and determine the significance of this target given its close proximity to an existing gold operation⁷.

Several significant intercepts were recorded in this program including 1m @ 5.61 g/t at 44m in a bottom of hole sample from HGA011⁸, which was geologically logged as quartz vein with visible sulphides. Additionally, a composite sample towards the bottom of the weathering profile in HGA015 returned 4m @ 1.59 g/t at 20m.

Mandilla Gold Prospect

Dynamic's exploration licence 15/1645 lies adjacent to Astral Resources NL's (ASX: AAR) 1.25Moz Mandilla Project⁹. The Company planned an exploration program to determine whether mineralisation extended onto DYM tenure and drilled 16 AC holes for 804m in a 40m by 40m pattern⁷.

Results from the program⁸ indicate mineralisation may extend onto the tenure with significant assay results including:

- 1m @ 3.1g/t Au in MDA011 (bottom of hole at 56m)
- 4m @ 0.35 g/t Au in MDA004 from 44m
- 5m @ 0.46g/t Au in MDA012 from 40m incl. 1m @ 0.34 g/t Au (bottom of hole at 44m)
- 1m @ 0.30 g/t in MDA011 (bottom of hole at 50m)

The Company will review and revise its geology model of the area to determine the next steps at this target.

D3 & D5 Nickel Prospects

During the September quarter the Company completed nine RC holes for a total of 1092m at the Democrat D3 and D5 prospects with intention to directly test for fresh rock nickel sulphide mineralisation associated with the 'basal contact' at the two prospects.

The Company had interpreted the position of the basal contact at D3 and D5 through field work completed to date, additionally informed by aeromagnetic and surface geochemistry.

In October, the Company announced that drilling at the D5 prospect supports the Kambalda ore deposit model with the basal contact intersected in the two northern-most drill lines¹⁰. Upon receipt of the geochemical data, the geological model was updated and as a result the Company plans to extend drilling on the southern sections to further constrain the basal contact and understand its properties.

At the D3 prospect the observed geology did not correspond with Dynamic's geological interpretations, with the first three holes dominated by volcanoclastics, with no basal contact intercepted. As a result, additional proposed holes were not completed, and no further drilling is planned at D3 at this time.

Dordie Far West Nickel Prospect

The Company commenced drilling at the Dordie Far West ("DFW") nickel prospect shortly after listing in January 2023¹¹, with the program designed to test for Kambalda komatiite type massive sulphide mineralisation interpreted to occur where the base of the komatiite stratigraphy is in contact with the underlying basalt, known as the 'basal contact'.

In the first drill campaign, five RC holes were drilled on four sections over a strike length of approximately 300m intersecting multiple significant assays greater than 1% Ni, including 16m @ 1.96% Ni including 5m @ 2.84% Ni¹².

An additional 2 RC holes were drilled to the south-west to test for the extension of mineralisation into the fresh rock in the previous quarter but failed to intercept the basal contact as modelled. Assays were returned in the September quarter with no significant intercepts (Ni>1%) to report. The fresh rock target remains to be tested with further drill testing remaining an option at the Dordie Far West prospect and along strike to the northwest and southeast.

Sunday Soak Nickel Prospect

16 AC holes were drilled at the Sunday Soak nickel prospect during the June quarter⁷ with assays returned in the September quarter. The low MgO content of the ultramafic and lack of significant nickel assays has downgraded the prospectivity of this target.

LAKE PERCY PROJECT

The Lake Percy Project is located approximately 120km to the west of Norseman, along the Hyden-Norseman Road. The Company's tenements are centred around the northern extension of the Lake Johnston greenstone belt, which hosts the Emily Ann and Maggie Hays nickel mines and the more recent Medcalf spodumene discovery by Charger Metals¹³(Figure 3). The project is near the Mt Day LCT pegmatite field 20km southeast as well as the Earl Grey Lithium Project located approximately 60km to the west (currently under development by Covalent Lithium Pty Ltd, a joint venture between subsidiaries of Sociedad Quimica y Minera de Chile S.A and Wesfarmers Limited¹⁴).

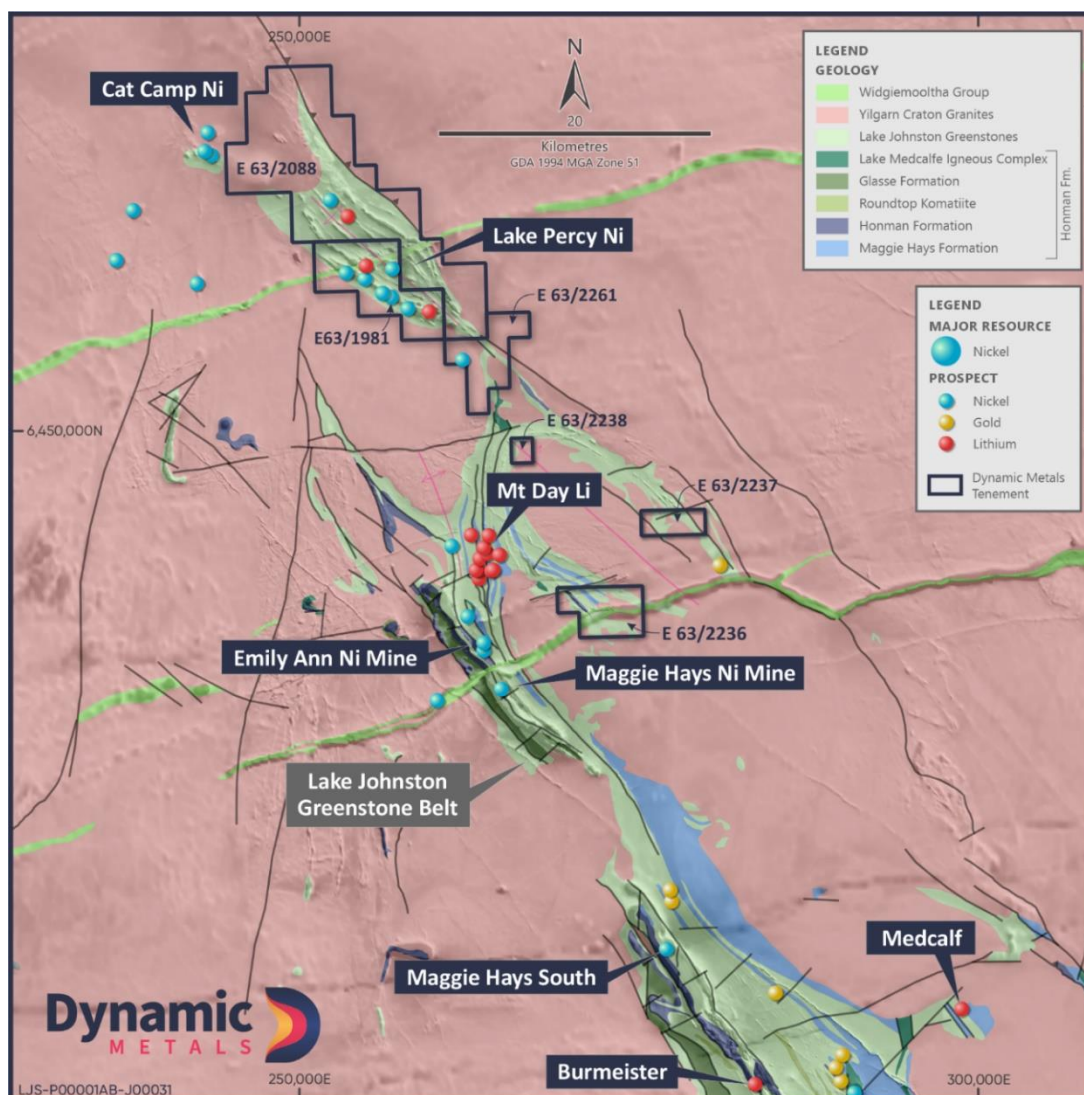


Figure 3. Plan view of Lake Percy Project tenure

A total of 102 holes for 6,372m was completed in the June quarter using a combination of AC and RC on 5 identified targets (LP1, LP2, LP4, LP6, LP8)¹⁵. The purpose of the program was to obtain fresh rock samples for geochemical analysis and utilise the results to improve the geological understanding and refine Dynamic's nickel sulphide targeting across the ~10km strike extent of the western ultramafic unit.

The results of the drill program have inferred a fertile nickel sulphide system at LP1 and LP2 and multiple pegmatites were intersected which the Company integrated with its existing pegmatite dataset for the Lake Percy area for lithium exploration programs.

A key component in the mineralogy of massive sulphide nickel deposits is the presence of Platinum Group Elements (PGE) including platinum (Pt) and palladium (Pd), in addition to high MgO content of the ultramafic. Accordingly, the Company submitted the fresh rock bottom of hole sample from DYR065 for PGE assaying which returned 2m @ 160ppb Pt & 43 ppb Pd in addition to 0.35% Ni, 236 ppm Cu, 38% MgO¹⁶. In addition, historic geophysical surveys were reprocessed over this area to generate follow up targets for deeper RC drill testing.

DIRECTORS' REPORT

In December 2023 the Company completed a total of five RC holes for 924m to test the follow up LP1 and LP2 targets. Four RC holes were drilled on four sections 250 to 300m apart testing the nickel and Platinum Group Element (PGE) anomaly at depth at the LP2 target. The fifth hole targeted the strongest nickel and copper anomaly at the northern extent of drilling. Drill holes were cased for optionality of downhole electromagnetic (DHEM) surveys.

DEEP WELL PROJECT

The Deep Well Project is located approximately 30km east to southeast of Meekatharra and is a joint venture between M61 Holdings Pty Ltd (20% interest) and Dynamic (80% interest). The project area covers the southern extension of the Gnaweeda Greenstone Belt which lies along the north-eastern most boundary of the Archaean Murchison Domain with the Southern Cross Domain part of the Youanmi Terrane within the Yilgarn Craton of Western Australia.

Dynamic's exploration plans are to follow up newly identified and untested nickel, copper and PGE gossans outcropping over a 6km strike along the interpreted greenstone⁶ (Figure 4). With the progress of land access requirements stalled this quarter by the repeal of the Aboriginal Cultural Heritage Act 2021, the Company has moved planned exploration activities into second half of 2024.

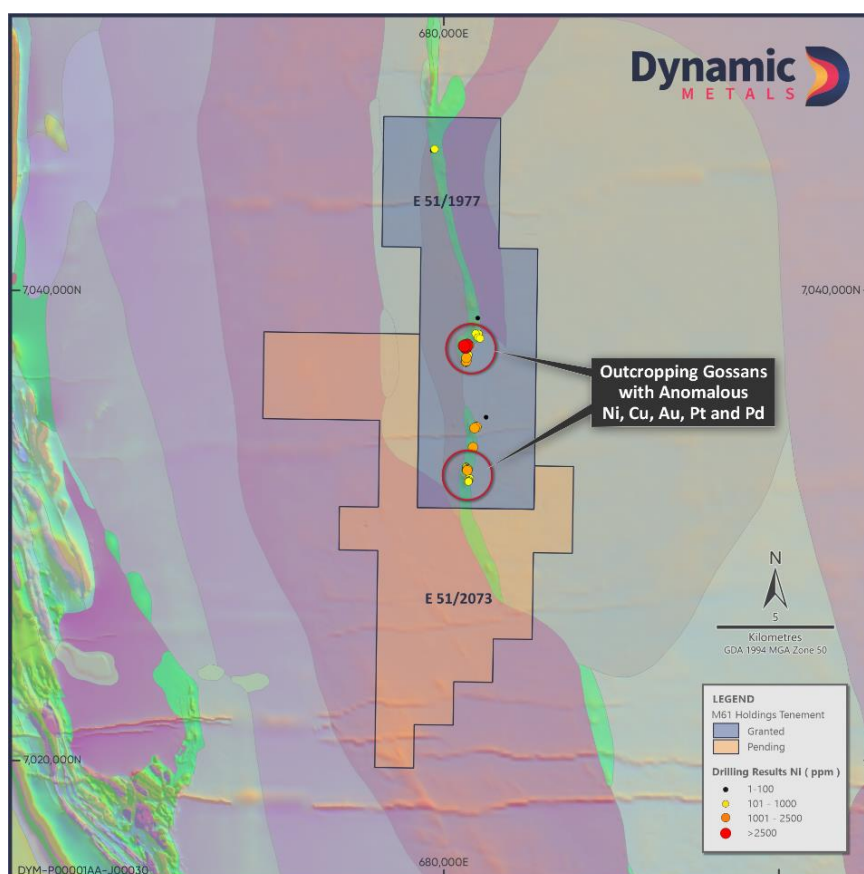


Figure 4. Plan view of Deep Well Project tenements

DIRECTORS' REPORT

GENERATIVE WA

As part of the long-term growth strategy, Dynamic makes opportunistic tenement applications adjacent to or along strike of existing mining operations or advanced project. These tenements that do not fall into one of the three main projects (Widgiemooltha, Lake Percy or Deep Well) are referred to collectively as Generative.

During the quarter the Company initiated desktop studies at its Lindsays Project which includes recently granted exploration licence 31/1316.

The Company continuously reviews the Generative projects and is actively pursuing opportunities to capitalise non-core assets. During the half year the Company completed the sale of the Mulga Tank tenement to Western Mines Group (ASX: WMG) for \$20,000 cash, 100,000 shares, 200,000 options and a 1% Net Smelter Royalty¹⁷.

JV PROJECTS

The Company has the following Joint Venture and Farm-In Agreements (Table 2). Material announcements relevant to Dynamic Metals include:

- Great Western Exploration (GTE) (ASX: GTE) completed a maiden RC drilling program at Firebird Gold Project, located in the Wiluna district, where GTE are earning up to 80% interest in E53/2129. GWE reported encouraging assays received from the program, including results up to 1m @ 16.8g/t Au from 50m¹⁸.
- GWR Group (ASX: GWR) announced the sale of the Wiluna West Iron Ore Project to Gold Valley West Wiluna Pty Ltd for \$20M and a \$2.00 dmt royalty¹⁹.
- Great Western Exploration (ASX: GTE) have continued to explore the Firebird Gold Project, located in the Wiluna district, where GTE are earning up to 80% interest in E53/2129. Over 8,000m were drilled in the phase two aircore program following up their earlier RC program^{18,20}.

DIRECTORS' REPORT

Project	Commodity	Company	DYM Interest
Deep Well	Nickel-Copper-PGE	M61 Holdings Pty Ltd	80%
Prospect Ridge	Magnesite	GWR Group	30%
Joyners Find	Iron Ore		20%
Joyners Find/Firebird	Gold	Great Western Exploration Limited	100%
Leinster	Nickel	Future Battery Minerals Limited	20%
Torque	Gold	Torque Metals Limited	20%
Bundie Bore	Gold	Voltaic Strategic Resources Limited	20%
Forrestania	Nickel, lithium	Forrestania Resources Limited	20%
Salt Creek	Gold	Mt Monger Resources Limited	20%
Aries	Diamond	Odessa Minerals Limited	10%

Table 2. Summary of Farm-In and Joint Venture interests

Financial

The net assets of the Group have decreased by \$108,448 over the period to the balance of \$8,465,578.

The Directors believe the Group is in a sound financial position to continue its exploration endeavours.

References

1. Dynamic Metals ASX Announcement 11/12/2023: "Maiden Soil Assays up to 409ppm Li₂O at Spargos East"
2. Dynamic Metals ASX Announcement 23/01/2024: "Soil Sampling Identifies New Lithium Trends at Widgiemooltha"
3. Dynamic Metals ASX Announcement 27/11/2023: "Positive Lithium Auger Results at Pioneer Dome"
4. Dynamic Metals ASX Announcement 05/10/2023: "2.8km Lithium Anomaly Defined at Pioneer Dome"
5. Mineral Resources ASX Announcement 22/11/2023: "Mineral Resources and Ore Reserves update"
6. Dynamic Metals ASX Disclosure 12/01/2023: "Prospectus"
7. Dynamic Metals ASX Announcement 16/06/2023: "Three More Prospects Drill Tested at Widgiemooltha"
8. Dynamic Metals ASX Announcement 16/06/2023: "High-grade Gold Assays Received at Higginsville Project"
9. Astral Resources ASX Announcement 20/07/2023: "Mandilla Gold Resource Surpasses 1.25Moz Following Fifth Successive Resource Upgrade"
10. Dynamic Metals ASX Announcement 23/10/2023: Nickel Exploration Update"
11. Dynamic Metals ASX Announcement 07/08/2023: "Priority Nickel Target Drilling to Commence at Widgiemooltha"

DIRECTORS' REPORT

12. Dynamic Metals ASX Announcement 02/05/2023: "Strong nickel grades confirmed at DFW"
13. Charger Metals ASX announcement 22/02/2023: "Charger confirms High Grade Lithium at Medcalf"
14. Covalent Lithium Mount Holland Mine information accessed at <https://www.covalentlithium.com/>
15. Dynamic Metals ASX announcement 09/05/2023: "First drill campaign complete at Lake Percy"
16. Dynamic Metals ASX Announcement 16/06/2023: "PGE Assays Support Strong Nickel Results at Lake Percy"
17. Western Mines Group ASX Announcement 03/10/2023: "WMG Consolidates Entire Mulga Tank Complex"
18. Great Western Exploration ASX Announcement 19/09/2023: "Maiden RC Drilling upgrades Firebird"
19. GWR ASX Announcement 21/12/2023: "Sale of Wiluna West Iron Ore Project"
20. Great Western Exploration ASX Announcement 19/12/2023: "Extensive Aircore Program Completed at Firebird Gold Project"

Competent Persons Statement:

The information in this report that relates to Exploration Results is based on information compiled by Mrs Karen Wellman. Mrs Wellman is an employee of the Company and a Member of the Australasian Institute of Mining and Metallurgy. Mrs Wellman has sufficient experience relevant to the styles of mineralisation and types of deposits under consideration, and to the activity being undertaken, to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves.' Mrs Wellman consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Forward-Looking Statements:

This report may include forward-looking statements. Forward-looking statements include but are not limited to statements concerning Dynamic Metals Limited's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. Although Dynamic believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Use of funds:

Between the date of the Company's admission to the official list of the ASX on 16 January 2023 and the end of the reporting period on 31 December 2023, the Company used its cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

Events occurring after financial reporting period

There has not arisen in the interval between the end of the financial half year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Group in future financial years, except for:

On 1 March 2024 the Company executed a binding Joint Venture and farm in agreement with a 100% owned subsidiary of Mineral Resources Limited (ASX: MIN) ("MinRes"), whereby, subject to the satisfaction of certain conditions precedent:

- Dynamic sells 40% of its lithium rights on the Widgiemooltha Project ("Project") tenements for a purchase price of \$5M. Of the purchase price, \$400k will be paid immediately as a signing

DIRECTORS' REPORT

fee and \$3.6M in cash on completion (anticipated to occur in the second quarter of CY 2024), with a deferred payment of \$1M on 1 July 2025

- Dynamic and MinRes to form a 60% Dynamic / 40% MinRes joint venture ("JV") to advance lithium exploration on the Project
- MinRes can sole fund \$15M of expenditure over 4 years to increase its stake in the JV to 65% ("Stage 2")
- At the completion of Stage 2, MinRes may elect to increase its stake in the JV to 80% by sole funding expenditure through to a Decision to Mine ("Stage 3")
- At the completion of Stage 3, Dynamic may contribute pro rata its proportion of JV costs going forward, or convert its interest into a royalty
- Dynamic retains rights to all minerals other than lithium over the Project and maintains access to all areas of the Project

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required by section 307C of the *Corporations Act 2001* is included on page 24.

This report is signed in accordance with a resolution of the Directors.



K Wellman
Managing Director
Perth
6 March 2024

DYNAMIC METALS LIMITED
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
Interest income		69,634	2,783
Fair value movement on financial assets		137,035	-
Share-based payment expense		(127,980)	-
Employee benefits expense		(98,896)	-
Corporate and regulatory expenses		(111,000)	(139,641)
Exploration expenditure		(18,903)	(38,525)
Depreciation and amortisation expense		(27,082)	(3,169)
Finance costs		(2,796)	-
Gain on tenement sale		58,586	-
Other administration expenses		(115,026)	(49)
Loss before income tax		(236,428)	(178,601)
Income tax benefit		-	-
Loss after income tax		(236,428)	(178,601)
Loss attributable to owner of Dynamic Metals Limited		(236,428)	(178,601)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>		-	-
Other comprehensive income for the year		-	-
Total comprehensive loss for the year attributable to the ordinary equity holders of the Company		(236,428)	(178,601)
Basic loss per share (\$ per share)		(0.48)	(178,601)

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

DYNAMIC METALS LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2023

	Notes	31 December 2023 \$	30 June 2023 \$
CURRENT ASSETS			
Cash and cash equivalents		3,075,255	4,413,493
Trade and other receivables		73,963	133,990
Prepayments		35,835	17,109
Total Current Assets		3,185,053	4,564,592
NON-CURRENT ASSETS			
Capitalised exploration and evaluation expenditure	3	5,082,718	3,916,370
Right of use assets		46,289	66,792
Property, plant and equipment		79,637	54,485
Financial assets at fair value through profit and loss	4	467,486	282,353
Total Non-Current Assets		5,676,130	4,320,000
TOTAL ASSETS		8,861,183	8,884,592
CURRENT LIABILITIES			
Trade and other payables		271,092	188,016
Provisions – employee entitlements		71,265	52,243
Lease liabilities		40,064	37,466
Total Current Liabilities		382,421	277,725
NON-CURRENT LIABILITIES			
Lease liabilities		10,727	31,414
Provisions – employee entitlements		2,457	1,427
Total Non-Current Liabilities		13,184	32,841
TOTAL LIABILITIES		395,605	310,566
NET ASSETS		8,465,578	8,574,026
EQUITY			
Contributed equity		8,962,304	8,962,304
Reserves		589,033	461,053
Accumulated losses		(1,085,759)	(849,331)
TOTAL EQUITY		8,465,578	8,574,026

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

DYNAMIC METALS LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Contributed equity	Share- based payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at 1 July 2022	10	-	(10,455)	(10,445)
Total comprehensive loss for the period:				
Loss for the period	-	-	(178,601)	(178,601)
Total comprehensive loss for the period	-	-	(178,601)	(178,601)
Transactions with owners in their capacity as owners				
Balance at 31 December 2022	10	-	(189,056)	(189,046)
Balance at 1 July 2023	8,962,304	461,053	(849,331)	8,574,026
Total comprehensive loss for the period:				
Loss for the period	-	-	(236,428)	(236,428)
Total comprehensive loss for the period	-	-	(236,428)	(236,428)
Transactions with owners in their capacity as owners				
Share-based payments	-	127,980	-	127,980
Balance at 31 December 2023	8,962,304	589,033	(1,085,759)	8,465,578

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

DYNAMIC METALS LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		\$	\$
Cash flows from operating activities			
Tenement refunds		-	1,596
Payments to suppliers and employees		(254,333)	-
Interest received		47,497	2,783
Interest paid		(2,796)	-
Net cash (outflow)/ inflow from operating activities		(209,632)	4,379
Cash flows from investing activities			
Payments for exploration and evaluation		(1,098,785)	-
Payments for property, plant and equipment		(31,731)	-
Proceeds from sale of tenements		20,000	-
Net cash (outflow) from investing activities		(1,110,516)	-
Cash flows from financing activities			
Repayment of lease liabilities		(18,090)	-
Advance from parent entity		-	5,000
Net cash (outflow)/ inflow from financing activities		(18,090)	5,000
Net movement in cash and cash equivalents		(1,338,238)	9,379
Cash and cash equivalents at the beginning of the financial period		4,413,493	-
Cash and cash equivalents at the end of the financial period		3,075,255	9,379

Expenditure in the prior period was paid by the Company's then parent company, Jindalee Resources Limited.

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

DYNAMIC METALS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
HALF-YEAR ENDED 31 DECEMBER 2023

1. SUMMARY OF ACCOUNTING POLICIES

(a) Basis of preparation of the half-year financial report

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

The interim report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

It is recommended that this financial report be read in conjunction with the annual financial report of Dynamic Metals Limited as at 30 June 2023 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The half-year financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2023.

(b) Adoption of new and revised Accounting Standards

For the half-year ended 31 December 2023, the Company has reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2023. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(c) New Accounting Standards, interpretations and amendments adopted by the Company

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Company have not been applied in preparing these financial statements and none are expected to be relevant to the Company. The Company does not plan to adopt these standards early.

(d) Basis of Preparation/Accounting

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

In applying IFRS, management is required to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

DYNAMIC METALS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
HALF-YEAR ENDED 31 DECEMBER 2023

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. These accounting policies have been consistently applied throughout the period.

The significant accounting policies set out below have been applied in the preparation and presentation of the financial statements for the period ended 31 December 2023.

(e) Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a loss for the period of \$236,428 (2022: \$178,601). As at 31 December 2023, the Company had working capital surplus of \$2,802,632 (30 June 2023: \$4,286,867) with cash of \$3,075,255 (30 June 2023: \$4,413,493) available.

The directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

Based on the cash flow forecasts, the directors are satisfied that the going concern basis of preparation is appropriate.

2. SEGMENT INFORMATION

Management has determined that the Company has one reportable segment, being mineral exploration in Australia. The Board periodically monitors actual versus budgeted exploration expenditure incurred. This internal reporting framework is most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration programmes and activities, while also taking into consideration the results of exploration work that has been performed to date. The reportable segment is represented by the primary statements forming this financial report.

3. CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2023 \$	30 June 2023 \$
Balance at beginning of year	3,916,370	-
Exploration acquired ¹	-	2,246,581
Exploration expenditure incurred	1,166,348	1,669,789
Balance at the end of the year	5,082,718	3,916,370

DYNAMIC METALS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
HALF-YEAR ENDED 31 DECEMBER 2023

¹Relates to exploration assets of \$1,537,298 acquired from JRL as part of the spin-off transaction on 11 January 2023 and \$439,283 from the acquisition of HiTec Minerals Pty Ltd. In addition, a further \$270,000 was spent on the acquisition of 80% of the Deep Well project from M61 Holdings Pty Ltd.

The balance carried forward represents projects in the exploration and evaluation phase.

Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas.

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	31 December 2023 \$	30 June 2023 \$
Opening balance	282,353	-
Additions	48,098	264,706
Fair value movement	137,035	17,647
Closing balance	<u>467,486</u>	<u>282,353</u>

Additions relate to the 100,000 ordinary shares and 200,000 options with an exercise price of \$0.60 each and an expiry date of 22 November 2026 received from Western Mines Group (ASX: WMG) for the sale of the Mulga Tank tenement E39/2134.

5. COMMITMENTS AND CONTINGENCIES

There are no material changes to the contingencies and capital expenditure commitments outlined in the 30 June 2023 Annual Report.

6. RELATED PARTY TRANSACTIONS

There were no new related party transactions incurred during the half year.

7. EVENTS OCCURRING AFTER FINANCIAL REPORTING PERIOD

There has not arisen in the interval between the end of the financial half year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Group in future financial years, except for:

On 1 March 2024 the Company executed a binding Joint Venture and farm in agreement with a 100% owned subsidiary of Mineral Resources Limited (ASX: MIN) ("MinRes"), whereby, subject to the satisfaction of certain conditions precedent:

- Dynamic sells 40% of its lithium rights on the Widgiemooltha Project ("Project") tenements for a purchase price of \$5M. Of the purchase price, \$400k will be paid immediately as a signing

DYNAMIC METALS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
HALF-YEAR ENDED 31 DECEMBER 2023

fee and \$3.6M in cash on completion (anticipated to occur in the second quarter of CY 2024), with a deferred payment of \$1M on 1 July 2025

- Dynamic and MinRes to form a 60% Dynamic / 40% MinRes joint venture (“JV”) to advance lithium exploration on the Project
- MinRes can sole fund \$15M of expenditure over 4 years to increase its stake in the JV to 65% (“Stage 2”)
- At the completion of Stage 2, MinRes may elect to increase its stake in the JV to 80% by sole funding expenditure through to a Decision to Mine (“Stage 3”)
- At the completion of Stage 3, Dynamic may contribute pro rata its proportion of JV costs going forward, or convert its interest into a royalty
- Dynamic retains rights to all minerals other than lithium over the Project and maintains access to all areas of the Project

DYNAMIC METALS LIMITED DIRECTORS' DECLARATION

In the opinion of the Directors of Dynamic Metals Limited:

- a) the consolidated financial statements, and notes set out on pages 13 to 20, are in accordance with the *Corporations Act 2001*, including:
 - i) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



K Wellman

Managing Director
6 March 2024

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DYNAMIC METALS LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Dynamic Metals Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Dynamic Metals Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

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 Company 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* 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.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility 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 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 Responsibility 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 Consolidated Entity's financial position as at 31 December 2023 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.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated 6th day of March 2024
Perth, Western Australia

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the financial statements of Dynamic Metals Limited for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated 6th day of March 2024
Perth, Western Australia