ABN 91 663 592 318

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2023

Contents

Corporate Information

This financial report includes the consolidated financial statements of DY6 Metals Ltd and its controlled entities ('Group'). The Group's functional presentation currency is AUD ($).

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Director's Report.

Directors
Mr Daniel Smith – Non-Executive Chairman
Dr Nannan He – Non-Executive Director
Mr Myles Campion – Non-Executive Director
Mr John Kay – Non-Executive Director

Chief Executive Officer
Mr Lloyd Kaiser

Company Secretary
Mr John Kay

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Perth WA 6000

Principal Place of Business
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Share Registry
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Perth WA 6000
ASX Code: DY6

Website
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HWL Ebsworth
Level 20, 240 St Georges Terrace
Perth WA 6000

Directors' Report

The directors present their report on the Group at the end of, or during, the half-year ended 31 December 2023.

Directors

The persons who were directors of the Group during the half-year and up to the date of this report are:

Mr Daniel Smith (Non-Executive Chairman)
Dr Nannan He (Non-Executive Director)
Mr Myles Campion (Non-Executive Director)
Mr John Kay (Non-Executive Director)

Results

The statement of profit or loss and other comprehensive income shows a net loss for the half-year ended 31 December 2023 of $756,921 (31 December 2022: $38,933).

Review of Operations for the Half-Year ended 31 December 2023

Machinga HREE & Nb Project

During the half-year the Company completed a maiden reverse circulation ("RC") and diamond drilling ("DD") campaign at its flagship Machinga Project (Northern Zone) in southern Malawi for a total of 4,543m. In addition, adjoining ground at Machinga which was previously under application, was granted increasing the total area at Machinga to 197km^2.

Results from recent drilling to date confirm a strongly mineralised hydrothermal breccia system striking NW-SE and dipping shallowly ~35° to the NE. Pleasingly, very high-grade zones have been intersected from the diamond drill holes, as well as the suggestion of the mineralised zones thickening at depth and continuous into the new licence area NE of the recent drilling. Significant drill intercepts received from the final batch of assays are included in DY6's ASX Announcement dated 29 December 2023. Significant intercepts include:

- **15.1m @ 1.01% TREO, 0.36% Nb_2O_5** from **23.9m** (3.71% DyTb/TREO) incl. **4m @ 1.75% TREO, 0.63% Nb_2O_5** from **33m** (3.8% Dy/Tb/TREO) **(MDD007);**
- **9m @ 0.70% TREO, 0.3% Nb_2O_5** from **3m** (3.84% DyTb/TREO) incl. **2m @ 1.2% TREO, 0.58% Nb_2O_5** from **6m** (3.64% Dy/Tb/TREO) and **5.2m @ 1.61% TREO, 0.66% Nb_2O_5** from **41.4m** (3.99% DyTb/TREO) incl. **1m @ 2.67% TREO, 1.01% Nb_2O_5** from **44m** (3.9% Dy/Tb/TREO) (**MDD006**);
- **6.1m @ 1.09% TREO, 0.4% Nb_2O_5** from **22.5m** (3.78% DyTb/TREO) (**MDD004**);

  and
- **9m @ 1.11% TREO, 0.41% Nb_2O_5** from **41m** (3.72% DyTb/TREO) incl. **3m @ 1.56% TREO, 0.49% Nb_2O_5** from **45m** (4.1% Dy/Tb/TREO) (**MDD008**).

(Results returned an average of 29% HREO:TREO and 3.6% DyTb:TREO at a cutoff grade of >0.25%TREO)

Diamond drill holes MDD006, MDD007 and MDD008 were drilled downdip to obtain sufficient sample material to initiate the metallurgical test work program in Q1, 2024. The assay results are positive and significant for the Company as they continue to demonstrate continuity of mineralisation down dip and along strike of Machinga with excellent width and grade of mineralisation for a heavy rare earth rich deposit. As part of the upcoming metallurgical test work program, using core from this campaign for mineral

characterisation, the Company will assess the amenability of the mineralisation to be treated through a relatively simple beneficiation process.

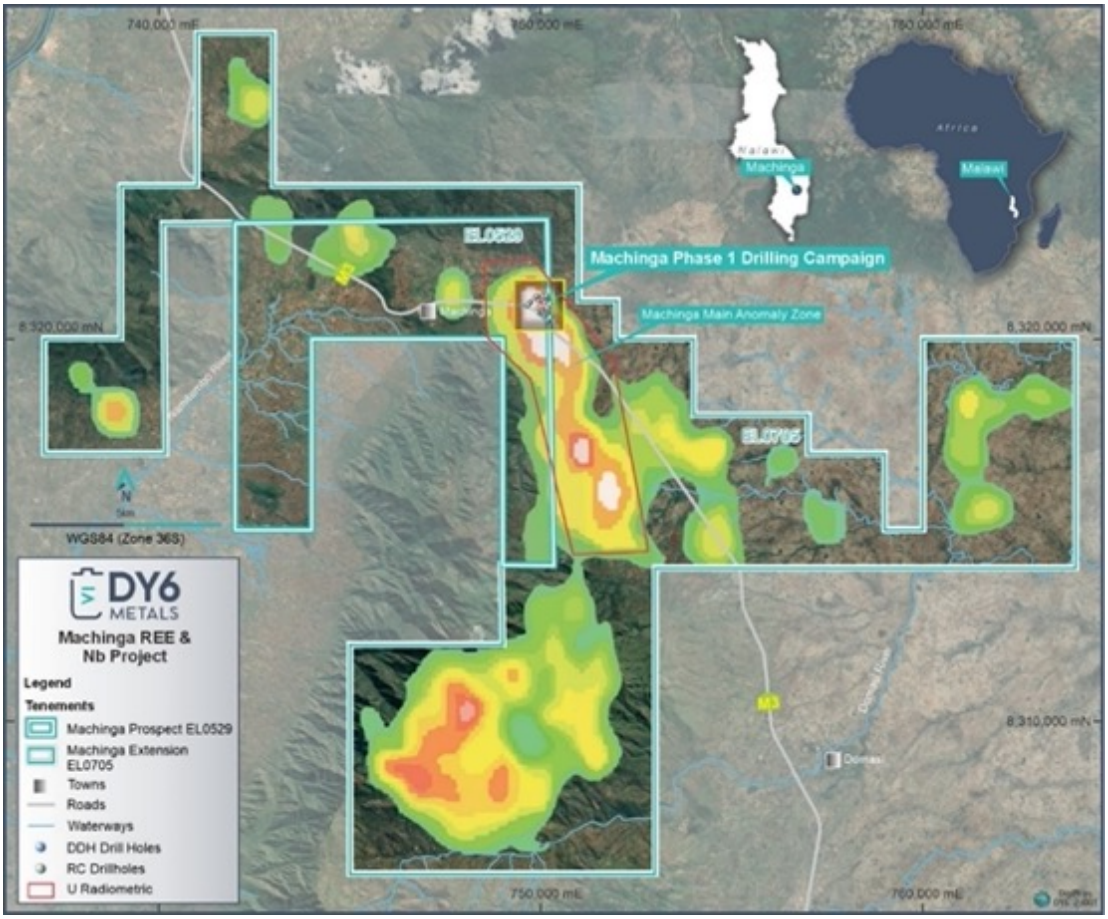


Figure 1. *Machinga Project location in Southern Malawi (U radiometric).*

The diamond drill program consisted of 5 holes to 150m and 3 holes to 50m depths to determine the structural setting and geology of the Machinga deposit and to obtain material for mineralogical investigation and commence preliminary metallurgical test work.

The first 5 holes were to understand the geological nature of the deposit, its structural configuration and obtain contextual data to the results of the RC drillholes, both recent and historical.

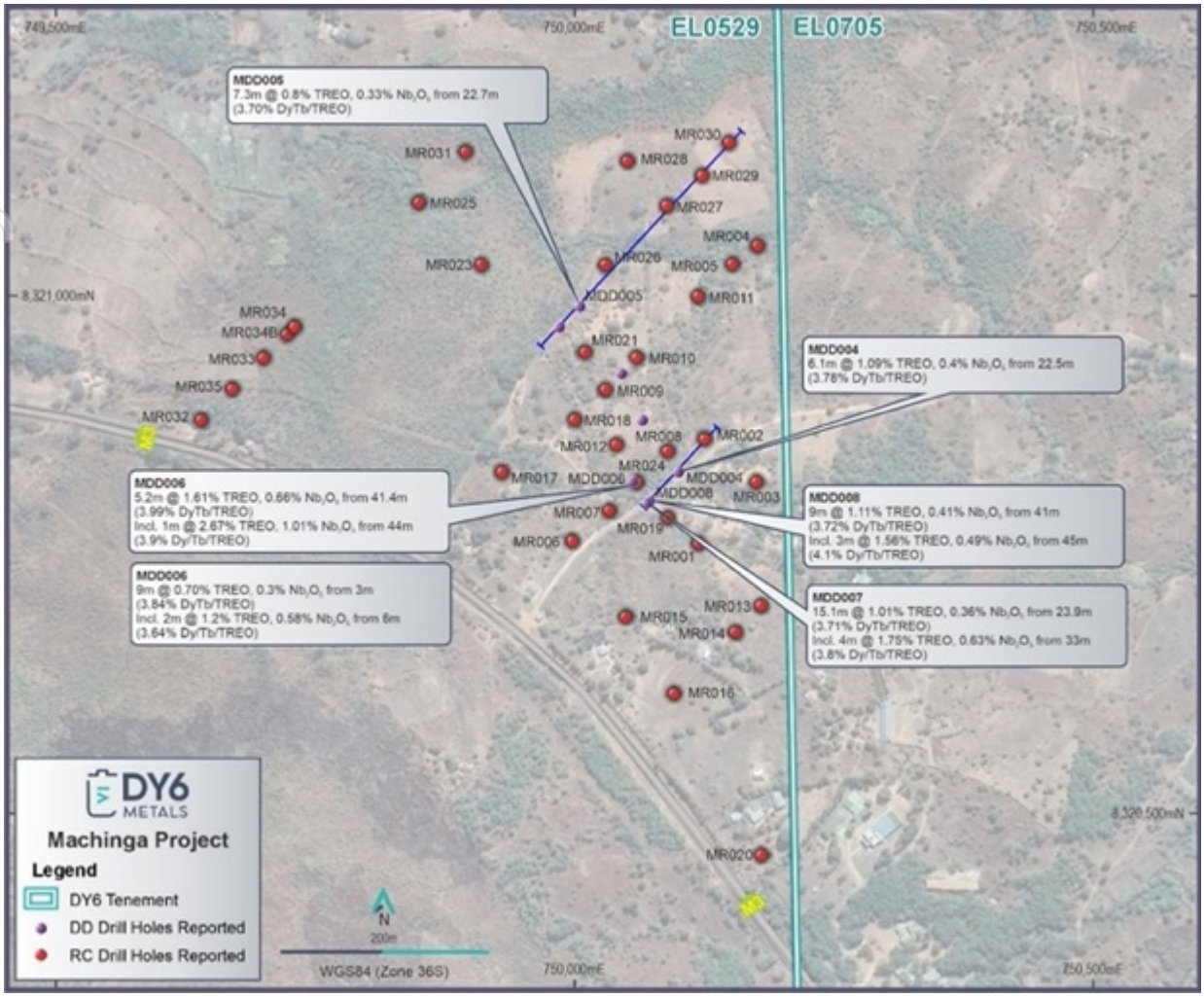


Figure 2. *Drill collar locations at Machinga North prospect – 8 DD hole collars.*

The diamond holes confirmed the shallow northeasterly dips (Figure 3) inferred from the RC drilling with several of the zones showing downdip consistency (DY6 Metals ASX releases 10th Oct and 26th Oct, 2023) with numerous apparently more discontinuous mineralisation zones.

The visual mineralised zones have been geologically logged as hydrothermal breccias; no petrological work has been undertaken as yet, samples for QEMSCAN analysis and interpretation are being collected from a selection of ¼ core for investigation by ALS in Perth in Q1, 2024. XRD of selected RC samples containing high to low rare earth mineralisation and host rocks is under review and to be reported in Q1. The mineralogy and quantitative assessment of minerals contained in the core will provide valuable liberation characteristics of target minerals to guide the Company in formulating a preliminary metallurgical test program.

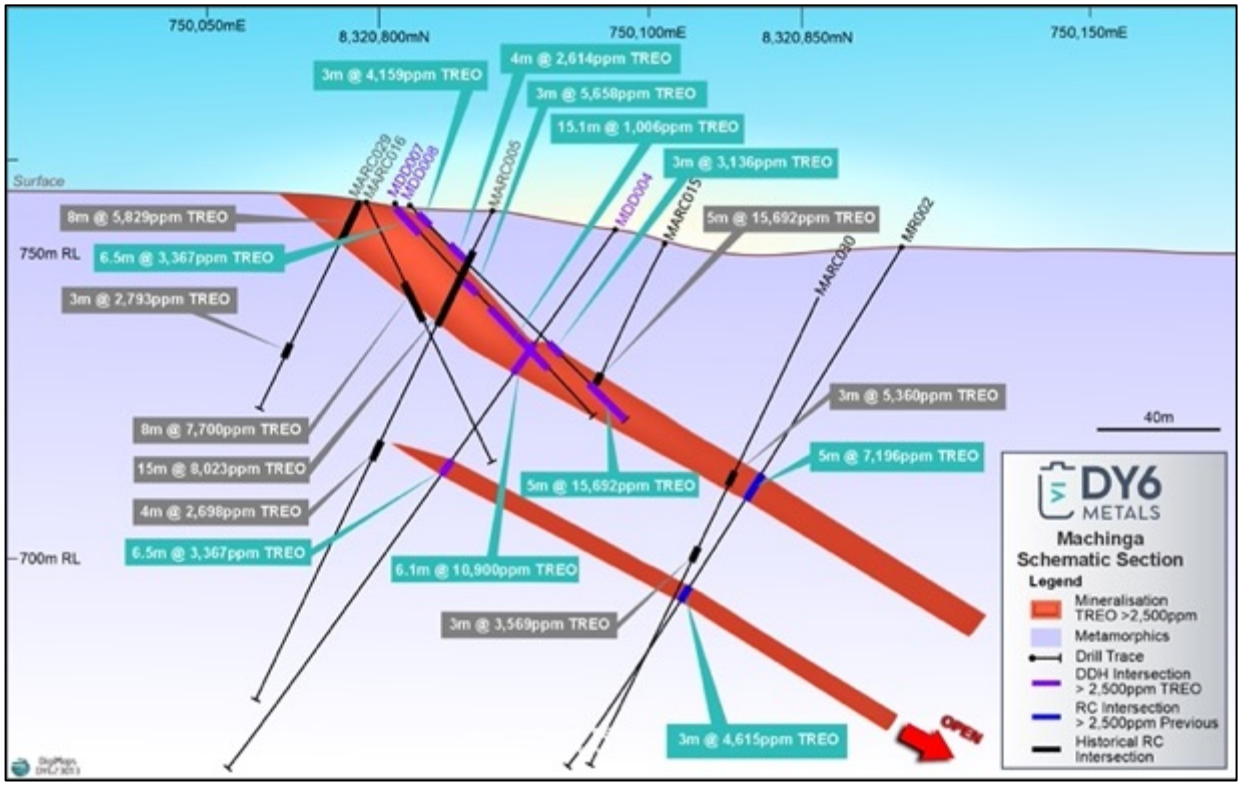


Figure 3. *Drill Section DY6 Metals holes MDD004, 007 & 008, RC hole MR002 with historical intersections from Globe MARC005, 015, 016, 029 & 030.*

Holes MDD001-005 were drilled at -55° to southwest attempting to intersect the mineralised zones at right angles; hence intersections within these holes approximate the true width of the mineralised zones at that location. Holes MDD006, MDD007 and MDD008 were drilled at -45° to the east and northeast, being down the estimated dip of the mineralisation. This was to maximise material available for the initial test work program.

The core is shown in the photographs of the half core in Figure 4 from hole MDD007.

These photographs show gneissic foliation approximately 45° to the core axis suggesting a near vertical dip in the sequence foliation, whereas the mineralisation, the pink and tan zones, are irregularly orientated suggesting hydrothermal alteration. The core being too fractured for downhole orientation.

Rare earth rich mineralisation within the hydrothermal breccia were intersected in drillhole MDD007 from 23.9m for 15.1m with high TREO grade zones of 1.79wt% TREO @ 29m to 30m, 1.31wt% TREO @ 33m to 34m, 1.89wt% TREO @ 34m to 35m and 2.12wt% TREO from 35m to 36m (Figure 5).

The TREO distribution of this exceptional 15.1m intersection of MDD007 has shown a high proportion of heavy rare earth oxides (HREO) at 27.7% HREO/TREO and 3.7% DyTb:TREO along with valuable magnetic rare earths NdPr oxide of 15.2%.

The high proportion of Nd+Pr+Dy+Tb oxides identified at Machinga is highly valuable and critical to the EV permanent magnets and renewable industries, with a basket price of US$28 per kg TREO (using a 2500ppm

TREO cutoff). The Company believes this compares very favourable relative to peers that are focussed predominately on light rare earth projects[1].

The initial focus of DY6 during the maiden drilling program was to test the known strike of the confirmed historic drill results in the northern anomalous zone. The next stage of the exploration program is already underway with further rock chip sampling at Machinga focused on stepping out NW of the phase 1 drilling campaign and along the southern zone of Machinga into EL0705 following the anomalous contour to delineate high priority drill targets for the phase 2 drill program Q1 2024.

[1] *Source: Lindian Resources Rare Earth distribution from 'Mineral Resource Estimate of 261 million LIN:ASX Announcement 3 August 2023'. Rare Earth Basket Price is calculated using NdPr, Dy and Tb oxide prices as at Oct 31st, 2023 from Baiinfo Market Intelligence.*

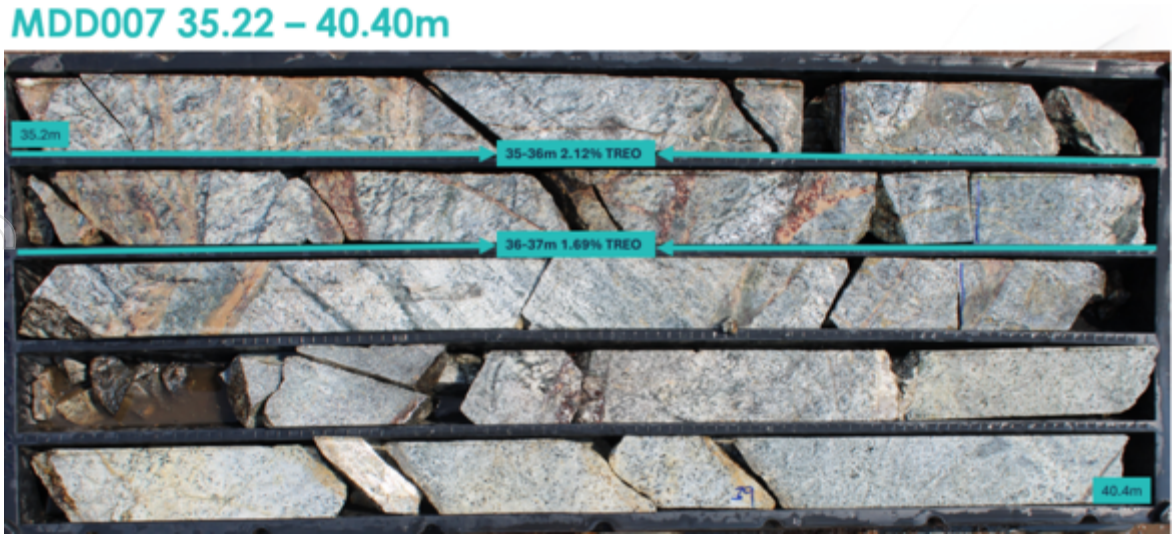


Figure 4. *Half drill core of MMD007 showing high-grade rare earth mineralisation in the Machinga deposit.*

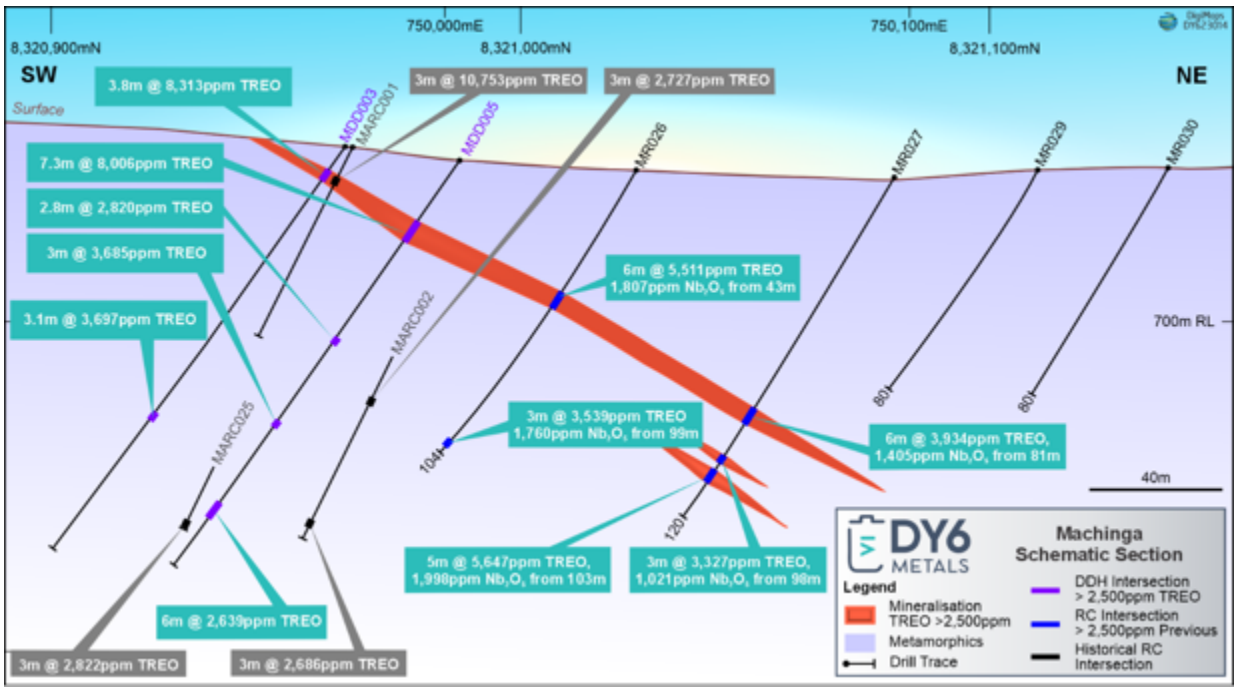


Figure 5. *Drill Section DY6 Metals holes MDD003 & MDD005.*

The Company plans to prepare an ore sample using the diamond core collected from the Machinga central drill program to produce a representative ore sample to commence beneficiation test work program in Q1, 2024 based on the 3 downdip holes MDD006, 007 and 008.

Upon completion and interpretation of XRD analysis on RC samples and minerology of selected pieces of diamond core, a beneficiation test work program will be planned with the Company's consulting metallurgist.

Tundulu REE Project

During the half-year, DY6 applied for an exclusive prospecting licence application (91.5km^2) over a project area with significant REE potential in southern Malawi, "Tundulu" – a known carbonatite ring complex with abundant REE mineralisation, predominantly in the form of bastnaesite and apatite.

Shallow historical drilling at Tundulu undertaken by JICA ("Japanese International Cooperation Agency") in 1988 (up to a max depth of 50m), included:

- **41m @ 3.7% TREO**, from 8m (JMT-22);
- **17m @1.3% TREO**, from surface and **14m @1.1% TREO**, from 21m (JMT-14);
- **11m @ 2.2% TREO**, from 17m and **14m @ 4.1% TREO**, from 36m (JMT-17); and
- **14m @ 1.1% TREO**, from 3m (JMT-07).

The Company's geological team recently undertook reconnaissance field visit over parts of the licence application area and samples have been submitted for laboratory analysis in South Africa.

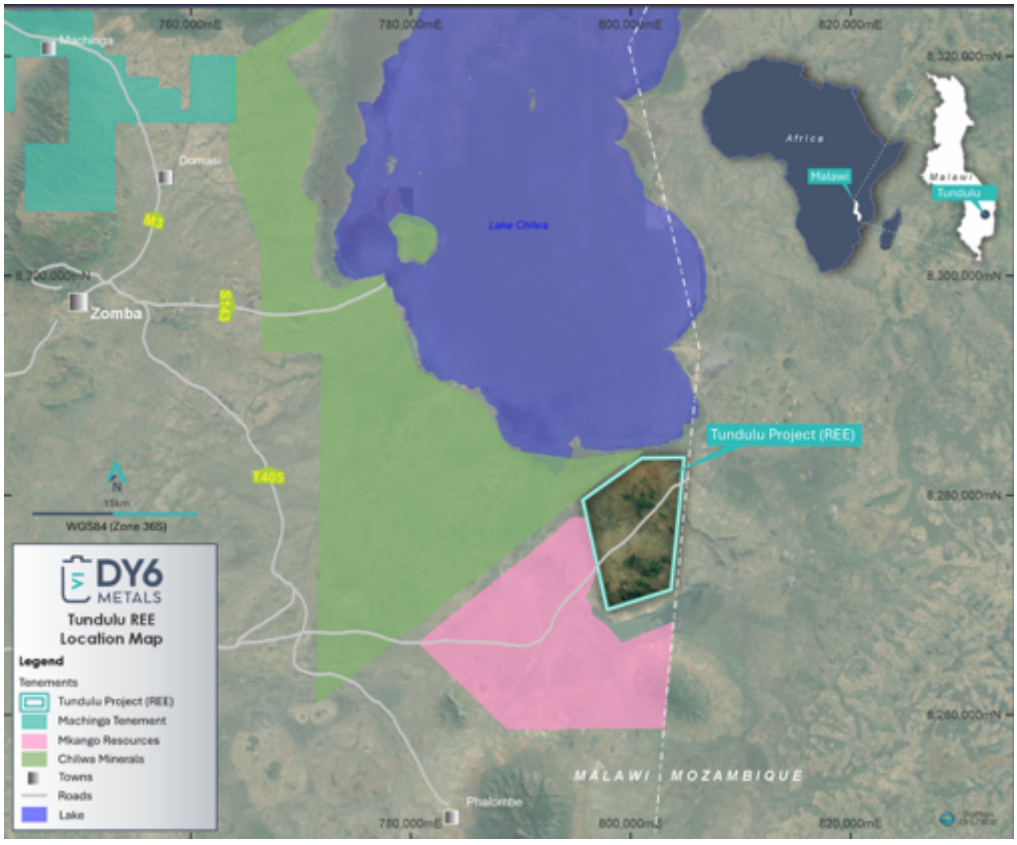
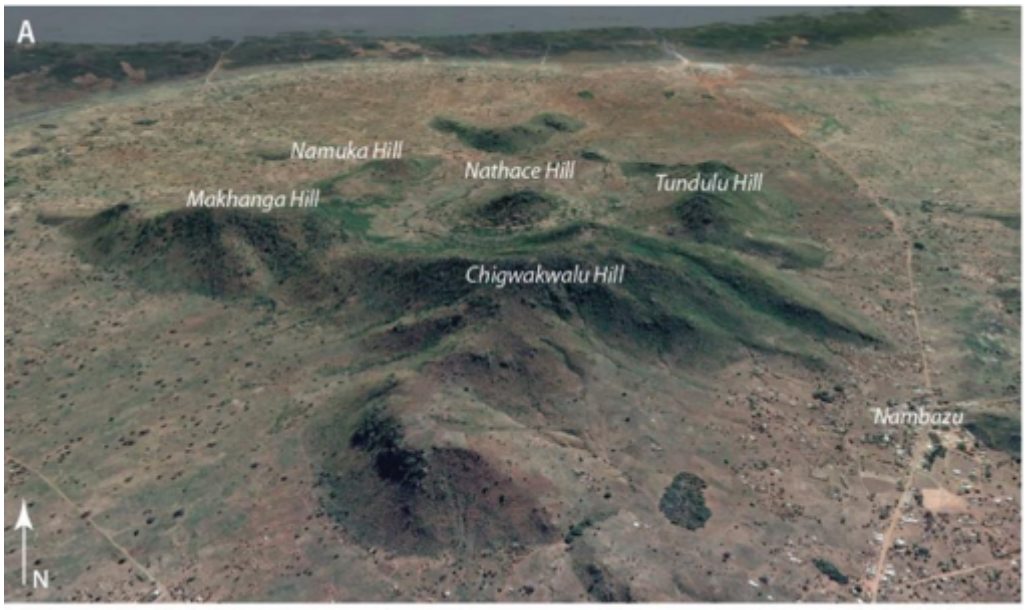


Figure 6. *Location of the Tundulu REE Project in Southern Malawi.*

Tundulu is a carbonatite ring complex forming part of the Chilwa Alkaline Province in southern Malawi. The geological structure of the Tundulu Ring Complex comprises of three igneous centres. The first comprises a circular aureole of fenitization about a 2 km diameter plug of syenite. The second carbonatite ring structure centred on Nathace Hill has a diameter of 500-600m. Wrench faulting prior to emplacement of the third centre displaced the western half of the Nathace Hill ring structure 250m to the north. The third centre comprises small plugs and thin sheets of meta-nephelinite and beforsite. The main apatite deposit forms an arcuate zone (300m N-S and 50m E-W) around the eastern side of the hill.

Access to the area is relatively straightforward, the east side of the complex and Nathace Hill can be reached via dirt road from nearby village of Nambazo.

(a)



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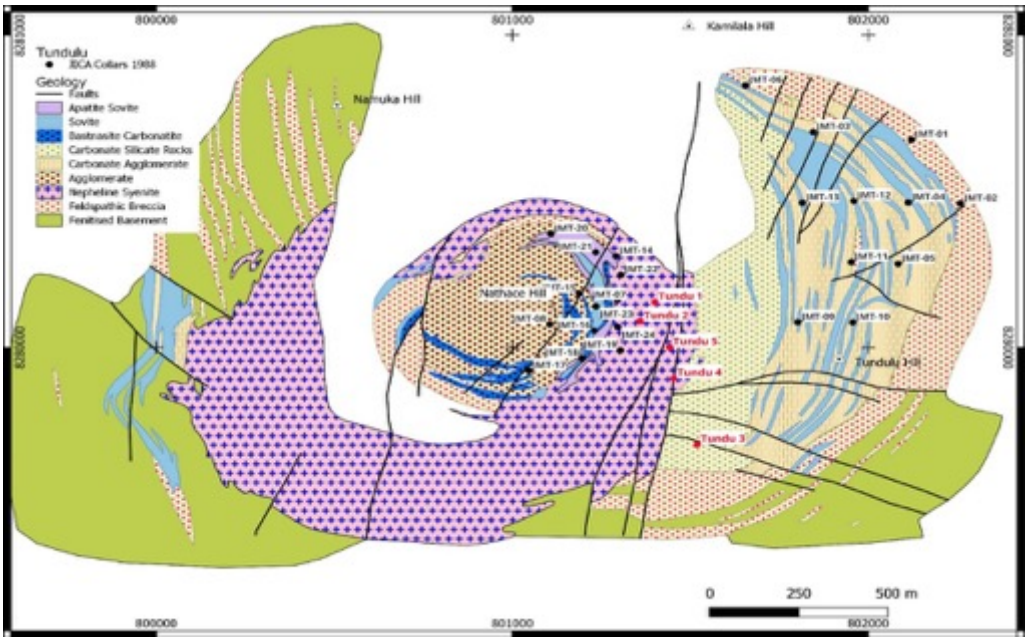


***Figure 7**. (a) Google earth image of the Tundulu Ring Complex, facing north; (b) Geological map of Tundulu, adopted from Garson (1962) with JICA drill collar locations (1988) and sample locations.*

The Tundulu carbonatite intrusion was first reported in detail by M.S. Garson in 1965 and was extensively drilled for REE and rock phosphate resources by JICA between 1988 to 1991 with three separate non-JORC resources being delineated at Nathace Hill within the apatite (refer to DY6 ASX announcement dated 11 December 2023).

These three areas were subject to small scale mining in 2010 and subsequently a joint venture between Optichem and Mota-Engil undertook an evaluation of the REE potential during 2014/15. They completed 55 holes, mainly RC for 7,002m. A preliminary non-JORC resource was defined.

The Company has only limited historical data on the Tundulu Project. In the coming months, the Company will look to obtain all available data government and public sources and undertake a more detailed geological review.

Mzimba & Karonga Lithium Projects

During the half-year, the Company applied for four highly prospective lithium licences in Northern Malawi, in the regions of Mzimba and Karonga. In addition, the Company also entered into an option agreement with an unrelated third-party vendor (Afro Gifts Mining Limited) to acquire an 80% interest in an adjacent prospective licence (which has been granted) located in Karonga, also prospective for lithium.

Together, these four licence applications, and 1 granted licence cover a combined area of approximately 785km^2.

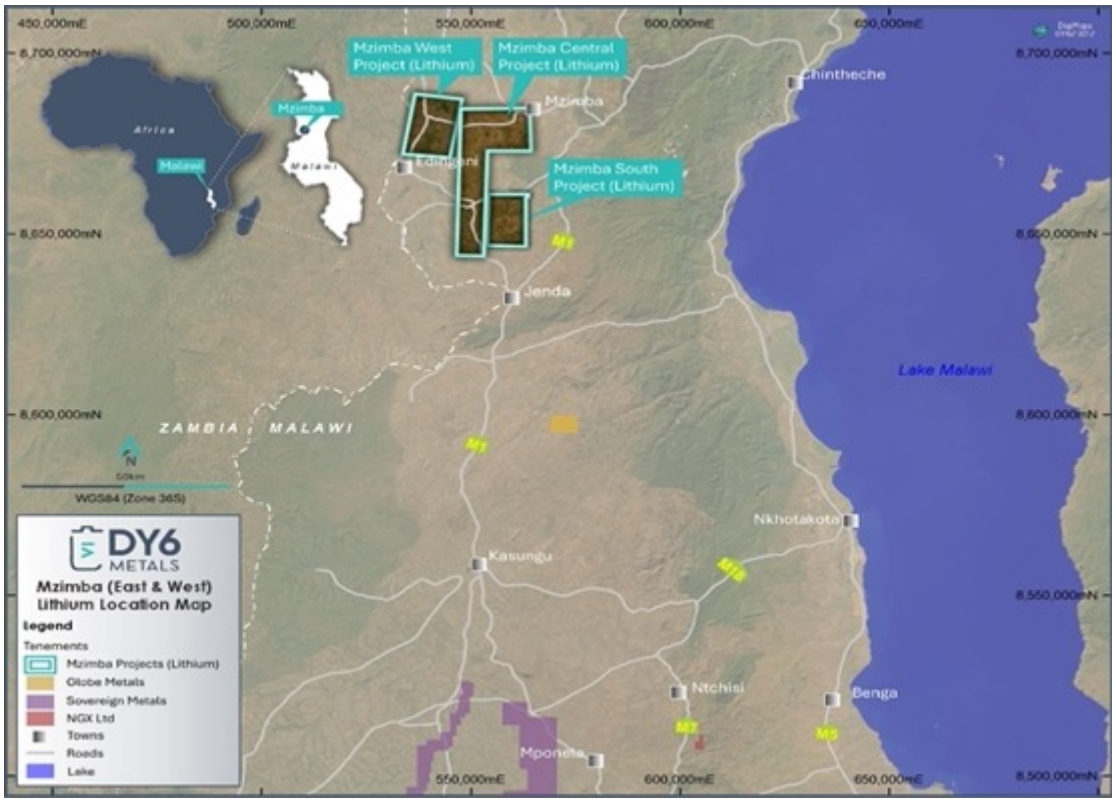


Figure 8. *Location of lithium prospecting licence applications near Mzimba.*

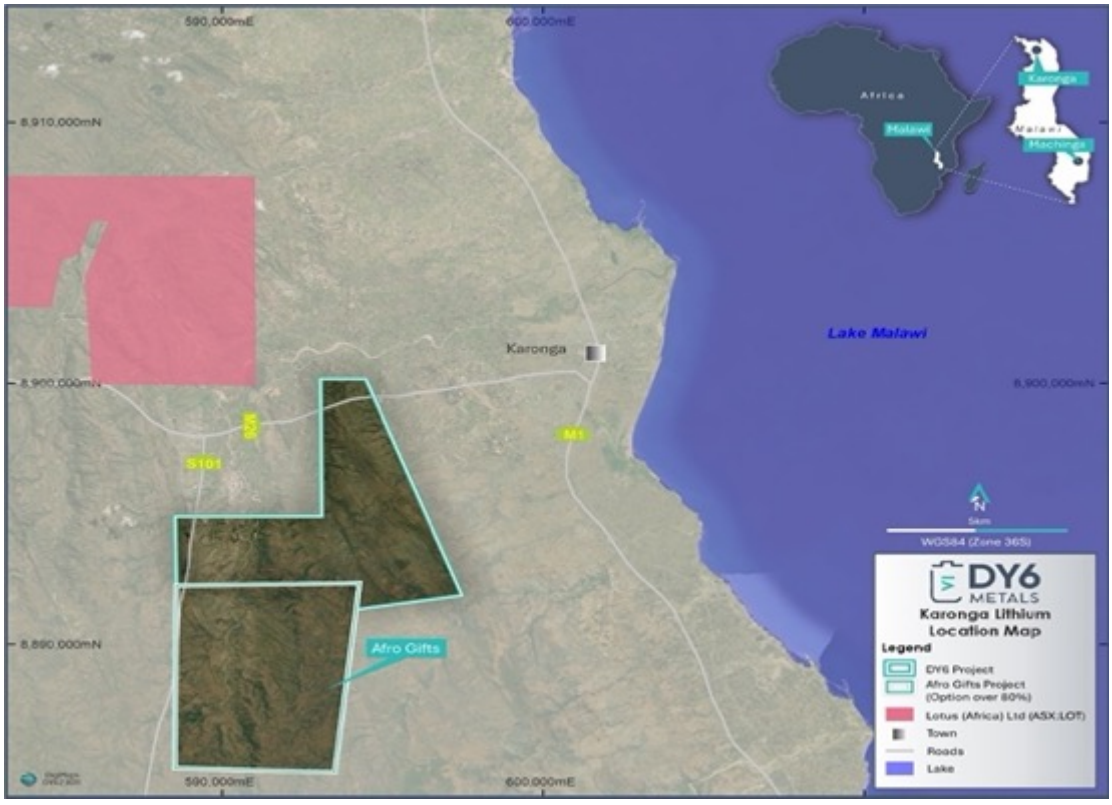


Figure 9. *Location of lithium prospecting licence application (Northern licence) and granted lithium prospecting licence (Southern licence) near Karonga.*

Mzimba

Located in the Mzimba district of central Malawi about 200km north of the capital Lilongwe, (refer Figure 8) the Mzimba Project covers an area of approximately 710.5km^2 extending through three separate tenements namely: Mzimba West, Mzimba Central and Mzimba South.

A desktop study identified two areas for field inspection by DY6 staff and a field reconnaissance program was conducted over parts of the tenement area during November 2023. The first area is 65km north of Mzimba Township covering portion of the Traditional Authority Mtwalo, Chindi and part of Inkosi Paramount Chief M'belwa.

According to unpublished reports, regional geological mapping and reconnaissance surveys were conducted in the area by British Geological Survey in the 1980's and the Malawian Geological Survey Department. The results indicated that Mzimba district has potential for a range of gemstones (such as aquamarine, tourmaline, beryl, and ruby) and industrial minerals occurring in pegmatites (Gaskell, 1973) (refer to DY6 ASX Announcement dated 15 December 2023).

The project area occurs within the Mesoproterozoic Irumide orogenic belt that extends from around Lundazi in eastern Zambia into Malawi; this belt hosts several granitic pegmatite swarms which are mined for gemstones including beryl varieties and other related metal deposit types.

Despite the potential in pegmatite resources, only small-scale mining activities targeting gemstones occur in the area. Little modern exploration has been conducted for lithium, caesium, niobium and tantalum that could be associated with pegmatites.

The area is underlain by orthogneisses, paragneisses, schist and granulite rocks of the Irumide Belt form basement geology in the area. These rocks are leucocratic to melanocratic in nature as dark to light minerals such as Quartz, Biotite and K-feldspar varies with various proportion when observing hand specimen. Floats of greenschist facies rocks were also observed.

Several pegmatites were noted cross cutting Basement complex rocks in various localities in the district (refer Figure 12).[2] These pegmatites were covered by varying thickness of superficial deposits. The pegmatites outcrop as nodular material, being elongated and lenticular in shape forming wavelike topographical features due to their resistance to weathering especially by the quartz content. They tend to be oriented parallel to local shear structures observed in the country rocks with strike directions ranging from N-S to NNE-SSW.

***Figure 10**. Topography in the Mzimba Project area.*

During the field work, pegmatites were identified by observing presence of weathered quartz, some flakes of weathered biotite, muscovite and phlogopite micas and kaolinised feldspars which forms reddish brown colour in the regolith (Figure 14a). Rock chip and grab geochemical sampling was completed within the excavations (Figure 14b) made by small scale miners to classify the type of pegmatite and indicate their economic potential.

[2] ***Cautionary Statement:*** *The Company notes that pegmatites contain varying abundances of typical LCT pegmatite non-Li-bearing minerals, predominantly feldspar, quartz, muscovite mica (as a group also referred to as Aplite) and accessory tourmaline. Investors should note that while LCT pegmatites are a known host for accessory lithium bearing minerals such as spodumene, it is also known that this is not a universal association. Visual observations of the presence of rock or mineral types and abundance should never be considered a proxy or substitute for petrography and laboratory analyses where mineral types, concentrations or grades are the factor of principal economic interest. Visual observations and estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations. At this stage it is too early for the Company to make a determinative view on the abundances of any of these minerals. These abundances will be determined more accurately through petrography, assay, and XRF analysis. The observed presence of pegmatite does not necessarily equate to lithium mineralisation. It is not possible to estimate the concentration of mineralisation by visual estimation and this will be determined by chemical analysis.*

***Figure 11**. Quartz float (left) and weather kaolinized feldspars and open pit mine for aquamarine (right).*

Most pegmatites identified were classified as zoned type with well-defined zones of wall rock, intermediate and a core. The wall zone or contact is made up of a fine-grained mass of quartz, feldspar, micas and partly superficial deposit of kaolinized feldspar materials (refer Figure 11).

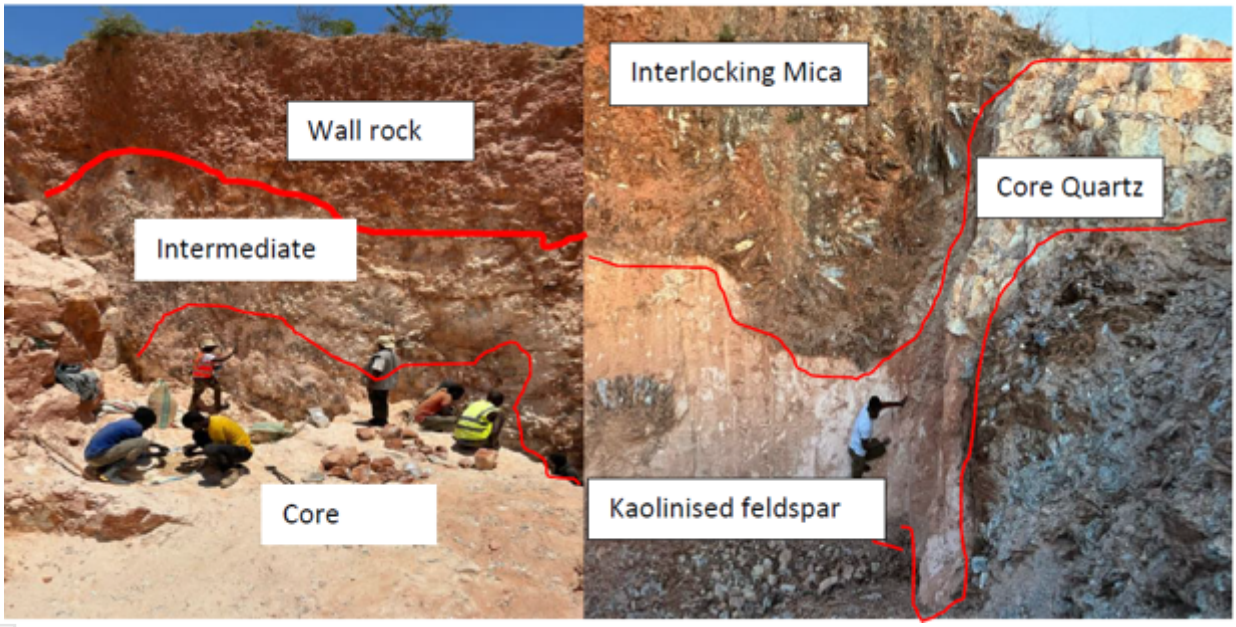


***Figure 12**. Pegmatites* zones of the core, intermediate and the wall rock.*

The Intermediate zone is made up of a matrix of medium grained quartz, feldspar and muscovite with occasional garnets. Feldspars are usually occurred in large partly kaolinized crystals of micro perthite with a pinkish colour.

The core zones are typically quartz rich with, large quartz more than 5cm in width inter-grown with pinkish microcline to white Albite feldspars and large books of various mica types (refer Figure 13). The type of micas noted includes grey-white muscovite, purple coloured lepidolite* and brown phlogopite; a greenish mica believed to be a lepidolite variety was also noted.

In the core zone gemstones such as aquamarine were mined, growing as needle-like structures inside white to clear quartz and between micas and feldspars.

Separating the core and intermediate zones, a dark heavy metallic mineral was observed in some places and field identified as tantalite. Samples were collected for analysis for confirmation (refer Figure 13).

Pegmatites throughout the area have been artisanal mined for beryl, tourmalines, micas, garnet, rose quartz, and many other gemstones.

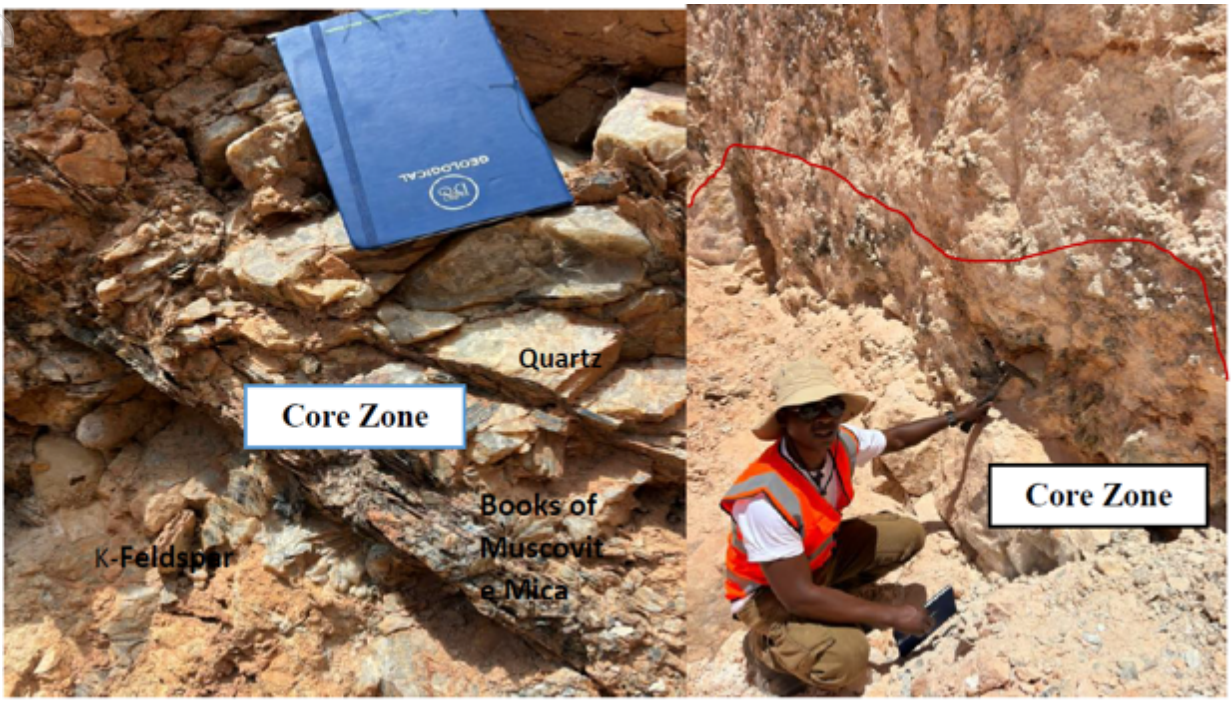


***Figure 13**. The Core of the opened pegmatite showing Quartz crystals, books of Muscovite micas and K-feldspar with matrix of Albite feldspar.*

The field investigation established the potential for lithium in the area with lepidolite being identified and samples were collected (refer Figure 14); the presence of other lithium related minerals such as Spodumene, Petalite and Kunzite is yet to be established.

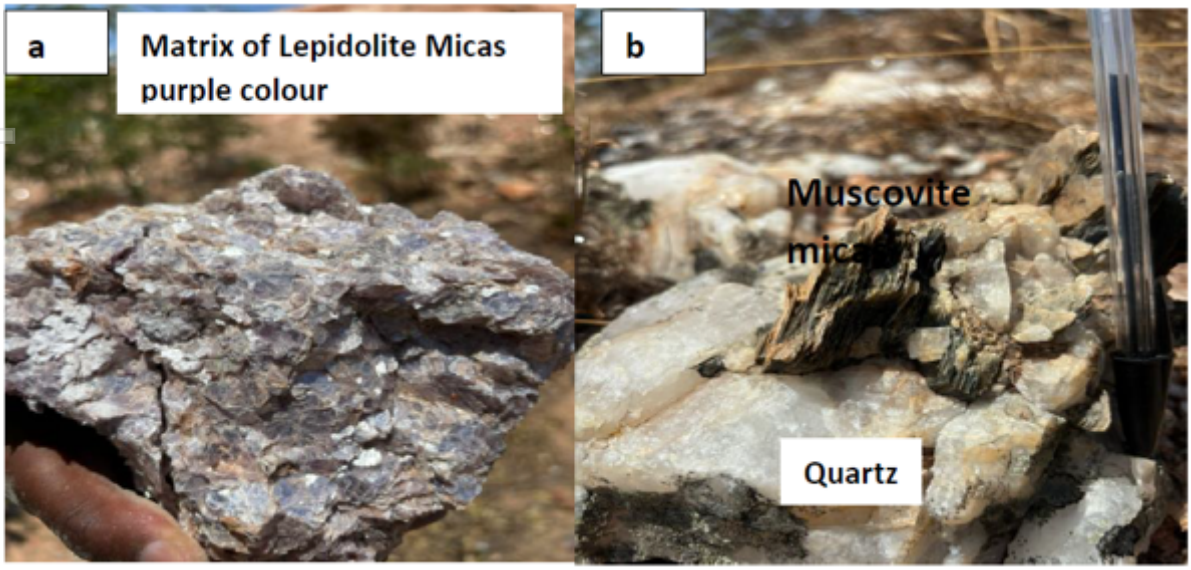


***Figure 14**. (a) The matrix of possible Lepidolite Micas and (b) pegmatite matrix.*

During the fieldwork, potential pegmatite areas were randomly selected, and descriptions were recorded in relation to geology, human activities and settlements, soil colour, accessibility and vegetation cover. In addition, each selected site was recorded using GPS (as shown on sampling points referred in DY6 ASX Announcement dated 15 December 2023).

Rock chip samples were collected and labelled using permanent marker for easy identification when taken for laboratory analysis. All samples collected were kept in a well labelled sampling bags to be prepared before for analysis. The samples collected were sent to Geological Survey Department for preparation before taken to the analytical laboratory.

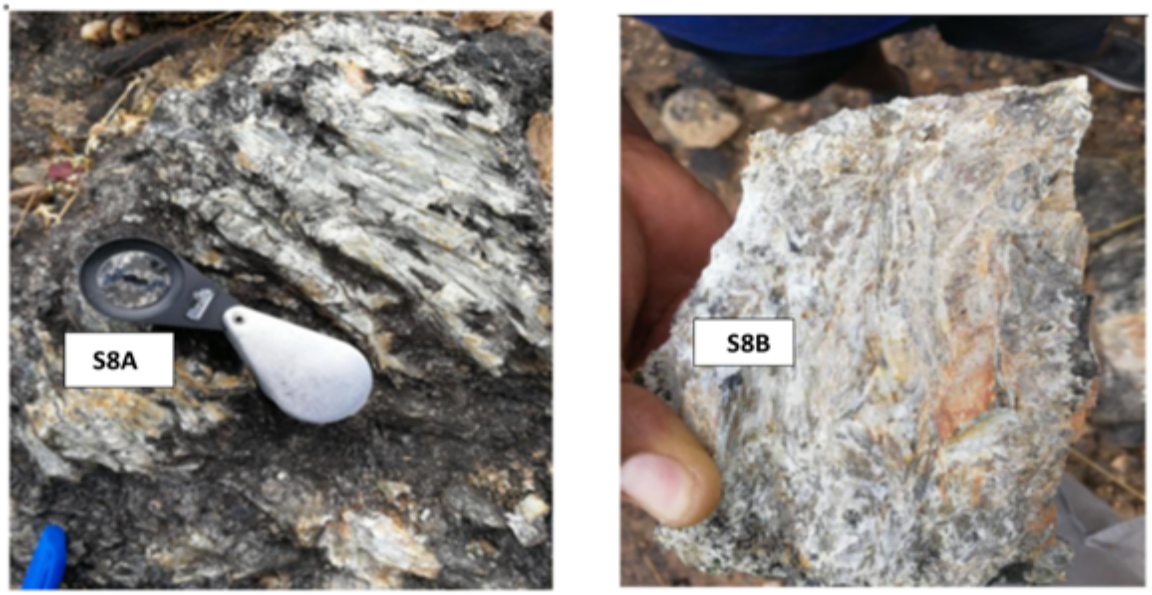
Karonga

The Karonga Project, which covers both the exclusive prospecting licence application and the granted licence area which the Company has an option to acquire an 80% interest (refer to Figure 9) is located about 440km north of the capital Lilongwe and covers a combined area of approximately 75km^2. The area can easily be accessed using Karonga-Chitipa M1 Road turning to the west at Kasikisi School signpost along the M1 Road.

The Karonga area is associated with a series of N-S trending ridges with metamorphic Basement complex rocks commonly identified as windows within the Karroo System which overlies the basement. The Karroo System units are typically sandstones with carbonaceous shales formations.

Pegmatite float material was noted in the Mwesa River which cuts NE-SW through the area. The sampling focused on pegmatite intrusions that are traceable for up to 500m in length. In hand specimen, these pegmatites have high percentages of albite, microcline and occasional K-feldspar with associated muscovite and biotite micas. The pegmatites are within the basement complex as biotite schist and gneisses with medium sized dark coloured micas. Quartz-feldspathic granulites were also observed. Exposures of these were found with copper coatings on joints and weathered reddish brown cuprite was observed.

Within the pegmatites, light greenish to purplish elongated feldspar-like crystals were observed, using a hand lens and tentatively identified as spodumene* (Figures 15a and 15b). Samples were collected and some had structures which shows shearing effect depicting the structure of spodumene (refer DY6 ASX Announcement dated 3 January 2024).



***Figures 15a & 15b**. Pegmatite sample and float with prismatic structures and interpreted to be spodumene.*

DY6 is finalising a maiden exploration program at the Karonga Lithium Project, which will consist of detailed geological mapping, rock chip and soil sampling. This program, anticipated to take up to 4 weeks, will commence in January 2024.

Salambidwe REE Project

During the half-year, the Company successfully completed an extensive geochemical sampling and geological mapping program at the highly prospective Salambidwe REE and Nb project in southern Malawi. Salambidwe sits within the Salambidwe Ring Complex, part of the Chilwa Alkaline province of southern Malawi that also hosts the Kangankunde Deposit, Machinga REE Project and numerous other REE prospects.

The complex is approximately six kilometres in diameter (approximately 85% occurs within the Company's licence) and is dominated by syenite and nepheline syenite with a core of agglomeratic rocks. These alkaline rock suites are known hosts to a variety of critical minerals based on historical geochemical sampling work completed by Global Metals & Mining (ASX:GBE) in 2010/12 (refer DY6 ASX announcement dated 27/06/23).

The prospect has never been drilled.

Figure 16*. Map location of Salambidwe Project relative to DY6's other projects.*

The Company has collected approximately 500 soil and rock chip samples over 50-line kilometres within the project. Samples have been sent to Kitwe, Zambia for preparation followed by dispatch to the lab in Perth for analysis. Results are expected in late January 2024.

Following completion of the geochemical program, the Company has commenced an airborne geophysical program at Salambidwe, which will consist of 45-line kilometres of electromagnetic plus radiometric surveying to map the magnetic and conductive properties of the geology at Salambidwe.

The data promises to be more detailed compared to the data obtained by the previous survey, the Geological Mapping and Mineral Assessment Project (GEMMAP), which had lapses due to the model and technicality of the survey. The combined geochemical and geophysical data is aimed at refining targets prior to a maiden drill program.

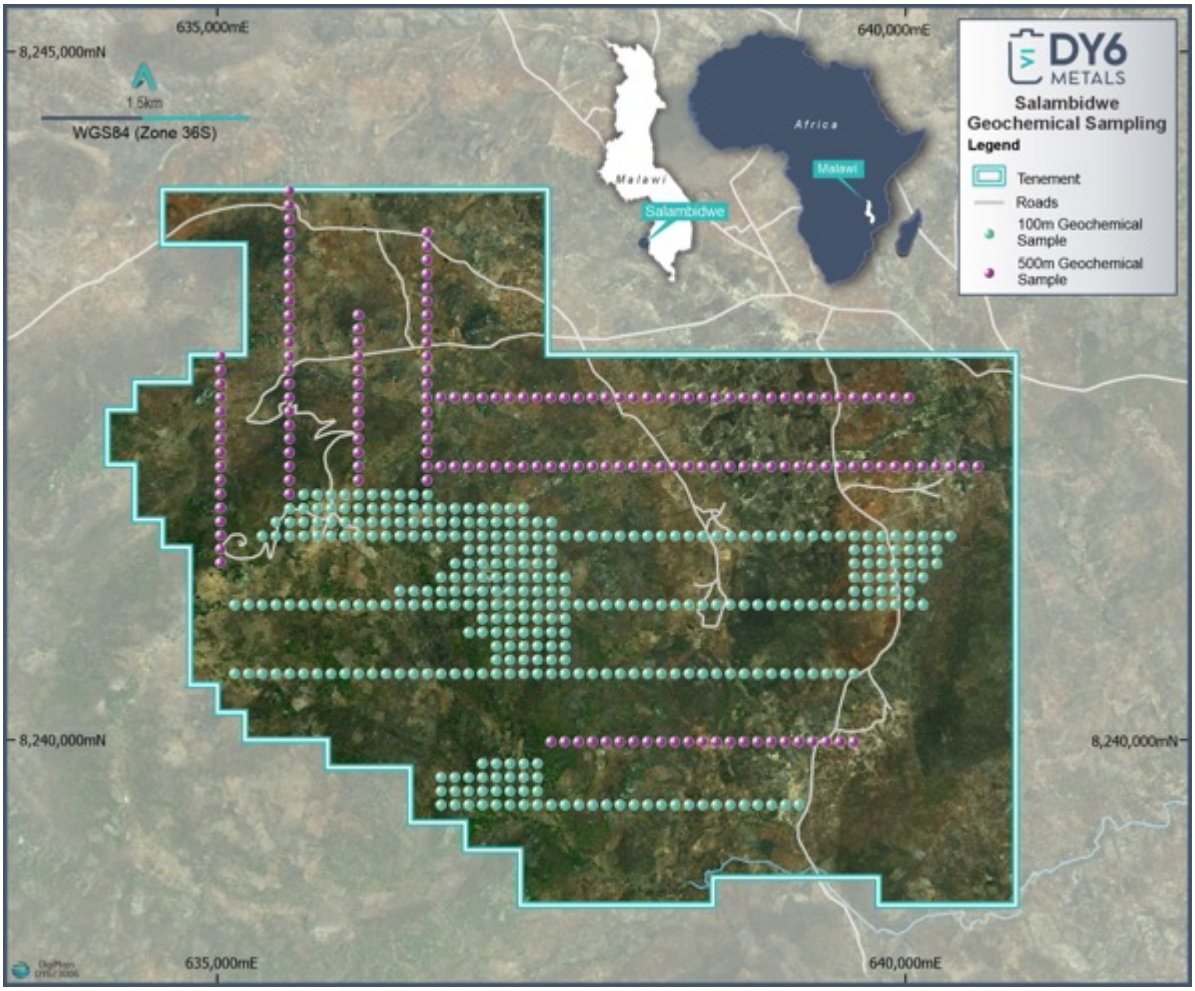


Figure 17. *Geochemical Sampling Program within Salambidwe Prospect (now completed).*

Ngala Hill

The Ngala Hill prospect is located 35 km south-southwest of Blantyre in southern Malawi. The deposit is characterised as an outcropping ultramafic chonolith with widespread Pd-Pt-Au-Cu mineralisation that is palladium-rich. No significant modern exploration has been undertaken on the prospect including no electromagnetics (EM) to target higher-grade massive sulphides. Three zones of palladium rich Pd, Pt, Au, Cu mineralisation have been identified to date.

The main mineralised zone has only had limited drilling. The Company believes there is significant potential for increased PGE grade in fresh rock (i.e., Julimar deposit). The prospect is proximal to the Nacala rail/ port corridor and grid power.

No immediate work has been planned at Ngala Hill in the near term.

Corporate

ASX Listing

The Company completed a $7 million Initial Public Offer and was admitted to the Official List of the ASX on 29 June 2023. The total shares on issue as at 31 December 2023 is 58,500,000.

Shareholder Meetings

On 15 November 2023, all resolutions put to Shareholders at the Company's Annual General Meeting were passed by way of a poll.

Issue of Securities

On 27 July 2023, the Company issued a total of 3,000,000 performance rights as part of Mr Kaiser's CEO appointment and 500,000 performance rights to Mr Saindi as part of his appointment as Senior Exploration Geologist.

On 17 November 2023, the Company issued 3,000,000 shares following the conversion of performance rights following the satisfaction of Milestones 1 and 2 (as defined in the Company's IPO Prospectus).

Subsequent Events

On 3 January 2024, the Company entered into an option agreement with an unrelated third-party vendor (Afro Gifts Mining Limited) to acquire an 80% interest in a licence prospective for lithium located in the Karonga region, northern Malawi.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of 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

Daniel Smith
Non-Executive Chairman

Perth, Western Australia, 13 March 2024

Abbreviations

- ***TREO*** *= Total Rare Earth Oxides – La_2O_3, CeO_2, Pr_6O_{11}, Nd_2O_3, Sm_2O_3, Eu_2O_3, Gd_2O_3, Tb_4O_7, Dy_2O_3, Ho_2O_3, Er_2O_3, Tm_2O_3, Yb_2O_3, Lu_2O_3, Y_2O_3*
- ***HREO*** *= Heavy Rare Earth Oxides –Tb_4O_7, Dy_2O_3, Ho_2O_3, Er_2O_3, Tm_2O_3, Yb_2O_3, Lu_2O_3, Y_2O_3*
- ***HREO%*** *= HREO/TREO * 100*
- ***DyTb:TREO*** *= (Dy_2O_3 + Tb_4O_7)/TREO * 100*

Compliance Statement

The information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Allan Younger, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Younger is a consultant of the Company. Mr Younger has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the `Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Younger consents to the inclusion of this information in the form and context in which it appears in this report. Mr Younger holds shares in the Company.

The exploration results contained in this report were first reported by the Company in its prospectus dated 3 April 2023 and announced to ASX on 27 June 2023, 6 July 2023, 12 September 2023, 3 October 2023, 10 October 2023, 26 October 2023, 4 December 2023, 11 December 2023, 15 December 2023, 29 December 2023, 3 January 2024 and 23 January 2024. The results were reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus or these subsequent announcements.

Cautionary Statement

The Company notes that pegmatites contain varying abundances of typical LCT pegmatite non-Li-bearing minerals, predominantly feldspar, quartz, muscovite mica (as a group also referred to as Aplite) and accessory tourmaline. Investors should note that while LCT pegmatites are a known host for accessory lithium bearing minerals such as spodumene, it is also known that this is not a universal association. Visual observations of the presence of rock or mineral types and abundance should never be considered a proxy or substitute for petrography and laboratory analyses where mineral types, concentrations or grades are the factor of principal economic interest. Visual observations and estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations. At this stage it is too early for the Company to make a determinative view on the abundances of any of these minerals. These abundances will be determined more accurately through petrography, assay, and XRF analysis. The observed presence of pegmatite does not necessarily equate to lithium mineralisation. It is not possible to estimate the concentration of mineralisation by visual estimation and this will be determined by chemical analysis.

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF DY6 METALS LIMITED

As auditor for the review of DY6 Metals Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and

b) no contraventions of any applicable code of professional conduct in relation to the review.

SUAN-LEE TAN
PARTNER

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 13th day of March 2024.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2023

	Note	Consolidated Half-Year 31 Dec 2023 $	Parent Entity Half-Year 31 Dec 2022 $
Revenue			
Other income		54,035	-
Expenses			
Employee and director benefits expense		(238,798)	-
Consultant and advisors		(197,008)	-
Corporate costs		(23,067)	-
Depreciation expense		(420)	-
Insurance		(8,943)	-
Investor and public relations		(57,029)	-
Other expenses	3	(169,910)	(7,336)
Share-based payments expense		(115,781)	(31,597)
Loss before income tax expense		**(756,921)**	**(38,933)**
Income tax expense		**-**	**-**
Loss after income tax for the half-year		**(756,921)**	**(38,933)**
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to operating result			
Foreign currency translation differences		(21,713)	-
Total comprehensive loss for the half-year		**(778,634)**	**(38,933)**
Basic and diluted loss per share (cents per share)		(1.35)	(0.44)

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

Consolidated Statement of Financial Position

As at 31 December 2023

	Note	Consolidated 31 December 2023 $	Parent Entity 30 June 2023 $
ASSETS			
Current Assets			
Cash and cash equivalents		3,733,559	6,816,291
Trade and other receivables		86,164	104,106
Total Current Assets		**3,819,723**	**6,920,397**
Non-Current Assets			
Motor vehicle, plant & equipment		54,527	-
Exploration and evaluation expenditure	4	4,302,041	2,601,527
Total Non-Current Assets		**4,356,568**	**2,601,527**
TOTAL ASSETS		**8,176,291**	**9,521,924**
LIABILITIES			
Current Liabilities			
Trade and other payables		227,196	909,976
Total Current Liabilities		**227,196**	**909,976**
TOTAL LIABILITIES		**227,196**	**909,976**
NET ASSETS		**7,949,095**	**8,611,948**
EQUITY			
Issued capital	5	9,048,195	8,559,823
Reserves		461,983	856,287
Accumulated losses		(1,561,083)	(804,162)
TOTAL EQUITY		**7,949,095**	**8,611,948**

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

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2023

Parent Entity	Issued capital $	Accumulated losses $	Performance Rights Reserve $	Options Reserve $	Foreign Currency Translation Reserve $	Total $
Balance at incorporation (3 November 2022)	**-**	**-**	**-**	**-**	**-**	**-**
Loss for the half-year	-	(38,933)	-	-	-	(38,933)
Other comprehensive income	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	-	-
Total comprehensive loss for the half-year	**-**	**(38,933)**	**-**	**-**	**-**	**(38,933)**
Transactions with owners in their capacity as owners:						
Issue of shares	145,000	-	-	-	-	145,000
Share based payments	-	-	-	31,597	-	31,597
Balance at 31 December 2022	**145,000**	**(38,933)**	**-**	**31,597**	**-**	**137,664**
Consolidated						
Balance at 1 July 2023	**8,559,823**	**(804,162)**	**450,342**	**405,098**	**847**	**8,611,948**
Loss for the half-year	-	(756,921)			-	(756,921)
Other comprehensive income	**-**	-			**-**	-
Foreign currency translation	**-**	-	**-**	**-**	(21,713)	(21,713)
Total comprehensive loss for the half-year	-	(756,921)	-		(20,866)	(778,634)
Transactions with owners in their capacity as owners:						
Issue of shares	-	-	-	-	-	-
Performance rights converted to shares	488,372	-	(488,372)	-	-	-
Share based payments	-	-	115,781	-	-	115,781
Options issued	-	-	-	-	-	-
Balance at 31 December 2023	**9,048,195**	**(1,561,083)**	**77,751**	**405,098**	**(20,866)**	**7,949,095**

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

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2023

	Consolidated Half-Year 31 Dec 2023 $	Parent Entity Half-Year 31 Dec 2022 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(740,692)	(8,016)
Interest received	54,035	-
Interest paid	-	-
Net cash used in operating activities	**(686,656)**	**(8,106)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation	(1,851,923)	(15,446)
Payments for motor vehicle, plant & equipment	(54,947)	-
Net cash used in investing activities	**(1,906,870)**	**(15,446)**
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issue of shares and options	-	145,000
Share issue costs	(448,935)	-
Repayments of borrowing	(40,270)	-
Net cash provided used in financing activities	**(489,205)**	**145,000**
Net decrease in cash held	**(3,082,732)**	**121,538**
Cash and cash equivalents at the beginning of the half-year	6,816,291	-
Cash and cash equivalents at the end of the half-year	**3,733,559**	**121,538**

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

Notes to the Financial Statements
For the half-year ended 31 December 2023

Note 1 – Summary of Significant Accounting Policies

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These half-year financial statements do not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position, and financing and investing activities of the Group as the full financial statements.

It is recommended that the half-year financial statements be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by the Group during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New and Revised Accounting Standards

In the half-year ended 31 December 2023, the Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the annual reporting period beginning on or after 1 July 2023. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the Group's accounting policies.

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

Comparatives

The comparative Statement of Profit or Loss and Other Comprehension Income, Statement of Changes in Equity and Statement of Cash Flows covers the period 3 November 2022 (date of Company's incorporation) to 31 December 2022 on a standalone basis.

Notes to the Financial Statements

For the half-year ended 31 December 2023

Note 2 – Segment Information

The Group identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating Decision Makers) in assessing performance and determining the allocation of resources. The information presented in the financial report is the same information that is viewed by the Directors.

The Group is currently operating in one business segment being the mining sector and predominantly in one geographic segment being Malawi.

Note 3 – Other Expenses

	Consolidated 31 December 2023 $	Parent Entity 31 December 2022 $
Rental	7,618	-
Subscriptions	39,823	-
Travel	66,419	-
Other operating expenses	56,050	7,336
	169,910	7,336

Note 4 – Exploration and Evaluation Expenditure

	Consolidated 31 December 2023 $	Consolidated 30 June 2023 $
Exploration and evaluation assets		
(a) Exploration project acquisition costs		
Opening balance	2,137,597	-
Acquisition cost – Green Exploration Ltd (Malawi)	22,500	2,137,597
Total exploration project acquisition cost	2,160,097	2,137,597
(b) Exploration project expenditure costs		
Opening balance	463,930	-
Expenditure incurred	1,678,014	463,930
Impairment loss on existing tenements	-	-
Total exploration project expenditure cost	2,141,944	463,930
Total exploration and evaluation expenditure	**4,302,041**	**2,601,527**

Notes to the Financial Statements

For the half-year ended 31 December 2023

Note 5 – Issued Capital

	31 December 2023 $	30 June 2023 $
Issued capital		
Ordinary shares	**9,048,195**	8,559,823
	9,048,195	8,559,823

(a) Movements for the period:

Ordinary shares	No. of Shares	$
Opening balance as at 1 July 2023	55,500,000	9,305,400
Placement shares	-	-
Conversion of performance rights	3,000,000	488,372
Share issue costs	-	(745,577)
Closing balance as at 31 December 2023	58,500,000	9,048,195

(b) Options outstanding over ordinary shared capital as at the reporting date were as follows:

	Expiry date	Exercise price ($)	Balance at start of the period	Number issued during the period	Number exercised during the period	Number expired during the period	Balance at end of the period
Unlisted option	28/12/2026	$0.25	1,250,000	-	-	-	1,250,000
Unlisted option	28/12/2026	$0.25	2,750,000	-	-	-	2,750,000
Unlisted option	28/12/2026	$0.25	1,500,000	-	-	-	1,500,000
Unlisted option	23/06/2026	$0.30	3,000,000	-	-	-	3,000,000
Unlisted option	28/02/2027	$0.25	500,000	-	-	-	500,000
			9,000,000	-	-	-	9,000,000

(c) Performance rights as at the reporting date were as follows:

	Balance at start of the period	Number issued during the period	Number converted during the period	Number expired during the period	Balance at end of the period
Performance rights (Directors)	1,500,000	-	1,000,000	-	500,000
Performance rights (Vendors)	3,000,000	-	2,000,000	-	1,000,000
Performance rights (CEO)	-	3,300,000[(a)]	-	-	3,300,000
Performance rights (Employee)	-	500,000[(b)]	-	-	500,000
	4,500,000	3,800,000	3,000,000	-	5,300,000

(a) On 27 July 2023, the Company issued 3,300,000 performance rights to its Chief Executive Officer as part of the Company's employee incentive scheme. The rights were valued using a binomial valuation model. These performance rights were issued with different performance milestones. Each performance milestones will convert into 1 ordinary share of DY6 Metals Limited upon achievement of the performance milestone.
The company has assessed the probability of achievement of each class being achieved and have recognised an expense accordingly. The details of each class are tabled below:

Tranche	Number of Performance Shares	Grant Date	Exercise Price	Probability of achievement of milestone	Expiry Date of Performance Right	Underlying Share Price	Total Fair Value
1	750,000	27/07/2023	$0.00001	100%	27/07/2024	$0.20	$150,000
2	750,000	27/07/2023	$0.00001	20%	27/07/2025	$0.20	$30,000
3	600,000	27/07/2023	$0.00001	15%	27/07/2026	$0.20	$18,000
4	600,000	27/07/2023	$0.00001	10%	27/07/2026	$0.20	$12,000
5	600,000	27/07/2023	$0.00001	5%	27/07/2026	$0.20	$6,000

Details of performance milestones is as follows:
(i) Milestone 1
the announcement or announcements by the Company achieving and maintaining a VWAP share price of not less than $0.50 for a continuous period of 20 trading days
(ii) Milestone 2
the announcement or announcements by the Company delineating a JORC or NI43-101 compliant Mineral Resource at the Machinga prospect of a minimum of 5Mt and having a minimum grade of 0.75% *TREO = Nb2O5
(iii) Milestone 3
the announcement or announcements by the Company delineating a JORC or NI43-101 compliant Mineral Resource at Salambidwe of a minimum grade of 1.5% *TREO + Nb2O5
(iv) Milestone 4
the announcement or announcement by the Company making a formal application to the mines department for a Mining Licence covering the Machinga project.
(v) Milestone 5
the announcement or announcement by the Company making a formal application to the mines department for a Mining Licence covering the Salambidwe project.
*TREO = Total Rare Earth Oxides (la through Lu + Y)

(b) On 4 September 2023, the Company issued 500,000 performance rights to its senior exploration geologist as part of the Company's employee incentive scheme. The rights were valued using a binomial valuation model. These performance rights were issued with different performance milestones. Each performance milestones will convert into 1 ordinary share of DY6 Metals Limited upon achievement of the performance milestone.
The company has assessed the probability of achievement of each class being achieved and have recognised an expense accordingly. The details of each class are tabled below:

Tranche	Number of Performance Shares	Grant Date	Exercise Price	Probability of achievement of milestone	Expiry Date of Performance Right	Underlying Share Price	Total Fair Value
1	125,000	04/09/2023	$0.00001	20%	04/09/2025	$0.20	$5,000
2	125,000	04/09/2023	$0.00001	15%	04/09/2026	$0.20	$3,750
3	125,000	04/09/2023	$0.00001	10%	04/09/2026	$0.20	$2,500
4	125,000	04/09/2023	$0.00001	5%	04/09/2026	$0.20	$1,250

Details of performance milestones is as follows:
(i) Milestone 1
the announcement or announcements by the Company delineating a JORC or NI43-101 compliant Mineral Resource at the Machinga prospect of a minimum of 5Mt and having a minimum grade of 0.75% *TREO = Nb2O5
(ii) Milestone 2
the announcement or announcements by the Company delineating a JORC or NI43-101 compliant Mineral Resource at Salambidwe of a minimum grade of 1.5% *TREO + Nb2O5
(iii) Milestone 3
the announcement or announcement by the Company making a formal application to the mines department for a Mining Licence covering the Machinga project.
(iv) Milestone 4
the announcement or announcement by the Company making a formal application to the mines department for a Mining Licence covering the Salambidwe project.
*TREO = Total Rare Earth Oxides (la through Lu + Y)

Notes to the Financial Statements

For the half-year ended 31 December 2023

Note 6 – Dividends

No dividends were declared or paid during the half-year ended 31 December 2023 (31 December 2022: Nil).

Note 7 – Related Party Transactions

(a) Transactions and balances with related parties

Below are transactions and balances with directors and director-related entities for the half year ended 31 December 2023:

Related Party	Type of Service	31 December 2023 $
Expenses		
Minerva Corporate Pty Ltd [1]	Director fees and accounting fees	**101,125**
Arcadia Corporate Pty Ltd [2]	Director fees and Company secretarial services	**54,000**
Virico (IOM) Limited[3]	Director fees	**27,000**
Lloyd Kaiser	Share based payments expense – performance rights	**76,134**
Total Expenses		**258,259**
Liabilities		
Minerva Corporate Pty Ltd[1]	Director fees and company secretarial fees included in trade payables	**14,025**
Arcadia Corporate Pty Ltd [2]	Director fees and company secretarial fees included in trade payables and accruals	**9,000**
Virico (IOM) Limited[3]	Director fees included in trade payables	**4,500**
Total Liabilities		**27,525**

[1] Daniel Smith is a Director and shareholder of Minerva Corporate Pty Ltd, a company which provides accounting and non-executive chairman services to the Group.
[2] John Kay is a Director and shareholder of Arcadia Corporate Pty Ltd, a company which provides non-executive director and company secretarial services to the Group.
[3] Myles Campion is a Director and shareholder of Virico (IOM) Ltd, a company which provides non-executive director services to the Group.

Note 8 – Contingent Liabilities

There has been no change in contingent liabilities since the last annual reporting date (30 June 2023).

Note 9 – Events Subsequent to Reporting Date

On 3 January 2024, the Company entered into an option agreement with an unrelated third-party vendor (Afro Gifts Mining Limited) to acquire an 80% interest in a licence prospective for lithium located in the Karonga region, northern Malawi.

Directors' Declaration

The directors of the Group declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
   (a) Complying with the Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (b) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year then ended.

2. In the directors' opinion 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

Daniel Smith
Non-Executive Chairman

Perth, Western Australia, 13 March 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DY6 METALS LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of DY6 Metals Limited (the company) and its controlled entities (the group or consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information 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 the company is not in accordance 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 the *Corporations Regulations 2001.*

Basis for Conclusion

We conducted our review in accordance with Auditing Standards on Review Engagements *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 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.

Responsibility of the Directors for the Half-Year 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 (including Australian Accounting Interpretations) 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 is free from material misstatement, whether due to fraud or error.

MOORE

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report is not in accordance 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 its performance for the half-year ended on that date; and

b) 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 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.

SUAN-LEE TAN
PARTNER

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 13th day of March 2024.