



TOP 5 ASX SMALL CAP STOCKS TO WATCH IN 2025

MYSTATE LIMITED (ASX: MYS)

11-FEB-2025

Price Close (\$)	4.740
52 Week High (\$)	4.740
52 Week Low (\$)	3.145
Beta	1.27
Market Cap (\$)	507.00M
Dividend Yield	5.03%

MyState Limited (ASX: MYS) faced a challenging environment in FY24, as the financial services sector experienced slowing credit growth, intense competition, and rising inflation. These conditions placed significant pressure on operating costs and squeezed net interest margins, especially for smaller banks. Regulatory and compliance expenses also continued to increase, with smaller banks bearing a higher proportional cost burden.

Despite these headwinds, MyState Limited swiftly recognized the market trends and responded by balancing growth with shareholder returns. The management team successfully reduced costs, protected revenue, and controlled expenses, all while maintaining solid margins. These efforts helped sustain the company's performance and position it for future growth, despite the tough environment.

Outlook:

A major milestone in MyState's recent development was the acquisition of Auswide Bank, which became legally effective on 10 February 2025. The acquisition process was completed through a scheme of arrangement, approved by the Supreme Court of New South Wales in early February 2025. This acquisition expands MyState's reach and strengthens its position in the market, allowing the company to leverage greater scale. Auswide shareholders will receive New MyState shares in exchange for their shares, with the merged entity set to include them as significant stakeholders, owning around 33.9% of the combined company. The merger is expected to generate operational efficiencies and open new opportunities for the expanded group.

Technical Analysis:



(Chart source: TradingView) Daily Candlestick Price Chart Pattern

The stock is exhibiting strength having closed at 52 W high on the daily chart. Moving above ichimoku cloud, trading past upper Bollinger band with MACD (Moving average convergence and divergence) and RSI (Relative strength index) in support, it is indicating potential of continuing bullishness in the long term.

Veye's Take:

MyState is focused on laying the groundwork for accelerated growth. The company continues to focus on digital transformation with the successful launch of a new internet and mobile banking platform. This transformation, part of a broader 4/16 strategy, is designed to provide a modern and streamlined customer experience, ensuring that the company is well-positioned to attract and retain customers. With low arrears and a solid mortgage portfolio, MyState is on track to expand its retail deposits further, which will enable continued balance sheet growth. Strategic investments in digital services and community engagement are expected to drive MyState's future success and provide a strong foundation for the next phase of growth as market conditions improve. **Veye maintains a "Hold" on "MyState Limited" at the closing price of \$4.740 (As of 10 February 2025).**

***All Data has been sourced from Company announcements and Refinitiv, Thomson Reuters.**

SOUTHERN CROSS MEDIA GROUP LIMITED (ASX: SXL)

11-MAR-2025

Price Close (\$)	0.700
52 Week High (\$)	1.000
52 Week Low (\$)	0.450
Beta	1.75
Market Cap (\$)	164.33M
Dividend Yield	N/A
Target Price (\$)	0.89, 1.30
Stop Loss (\$)	0.52

On 27 February 2025, Southern Cross Media Group Limited (ASX: SXL) reported its H1 FY25 results for the period ending December 31, 2024.

Southern Cross Media Group (SCA) delivered a strong financial performance for the first half of FY25, with revenue of \$209.7 million, representing a 5.3% increase compared to the same period in FY24. EBITDA improved by 24.6%, reaching \$24.1 million, while NPAT, including discontinued operations, grew by 5.5% to \$3.2 million. For continuing operations, which include Audio & Corporate segments, revenue increased by 5.3%, and EBITDA surged by 46.8%, reaching \$31.2 million. The company's success was driven by its leadership in metro and regional radio markets, with strong growth in digital audio revenues and a disciplined approach to cost management.

Outlook:

SCA has a good outlook for the rest of FY25, with expectations for continued revenue growth in both Audio and Digital Audio sectors. Audio revenues are forecasted to be 6% ahead of the prior year for Q3 FY25, and LiSTNR is expected to maintain double-digit growth throughout FY25 and into FY26. The company is on track to reduce its non-revenue-related costs for the full year to below \$270 million. Capex is likely to stay below \$10 million in FY25, a remarkable decrease after having completed its investment cycle in digital transformation. Furthermore, the leverage ratio is set to further increase by June 2025.

Risk Analysis:

SCA faces several business and operational risks that could impact its financial prospects. These include the challenge of LiSTNR achieving sustainable profitability at the desired pace, slower-than-expected growth in broadcast radio revenues, and increased competition from global tech companies in the audio market. Additionally, a cyber security breach could disrupt operations or compromise data, and SCA must continuously strengthen its security measures to mitigate such risks. Despite these challenges, the company is focused on enhancing its content, targeting capabilities, and digital offerings to maintain market leadership and reduce the impact of these risks.

Technical Analysis:



(Chart source: Trading View) Daily Candlestick Price Chart Pattern

The stock is continuing upward momentum. Moving above its EMAs (Exponential moving average) on the daily chart, it is giving downside rejections with short term EMAs overtaking 200 EMA. Even while retracing it has been protecting its middle band, indicating potential to long term bullishness.

Veye's Take:

SCA's focus on strengthening its position in both traditional and digital audio markets presents significant growth opportunities. The company's partnership with the AFL enhances its content offering and extends its reach to a broader audience, while the continued growth of LiSTNR and its market-leading AdTech capabilities provide further monetization opportunities. Additionally, with capex reducing and a continued focus on cost discipline, SCA is poised to maintain positive operating momentum. The company is well-positioned to achieve long-term, sustainable growth and deliver strong returns for its stakeholders. **Veye maintains a "Speculative Buy" on "Southern Cross Media Group Limited" at the closing price of \$0.700 (As of 10 March 2025).**

***All Data has been sourced from Company announcements and Refinitiv, Thomson Reuters.**

METAL HAWK LIMITED (ASX: MHK)

10-MAR-2025

Price Close (\$)	0.330
52 Week High (\$)	0.375
52 Week Low (\$)	0.043
Beta	1.74
Market Cap (\$)	36.01M
Dividend Yield	N/A

During the quarter ending 31 December 2024, Metal Hawk Limited (ASX: MHK) reported significant progress at its Leinster South Project in Western Australia. The company identified high-grade gold at several prospects, including the Thylacine and Tyson's prospects, with rock chip samples showing impressive gold grades of up to 84.0 g/t Au at Tyson's and 62.3 g/t Au at Thylacine. Notably, surface gold mineralization was extended over 800 meters at the Siberian Tiger prospect.

Metal Hawk has signed a heritage agreement with the Watarra Aboriginal Corporation, and plans are underway to begin a maiden drilling program after a scheduled clearance survey in Q1 2025. Preparations for drilling and further exploration activities, including geochemical sampling and target generation, are also progressing.

Metal Hawk secured \$2.5 million through a strongly supported placement, boosting its financial position with a cash balance of \$3.6 million at the end of December 2024.

The company has refocused its efforts on the Leinster South Project following the sale of a 70% interest in the Kanowna East Project to Accelerate Resources Limited (AX8). Despite the sale, Metal Hawk retains a 30% free carried interest in the Kanowna East Project, which includes rights to a net smelter royalty (NSR) after completion of a pre-feasibility study. The company's strategy is now entirely centered on advancing the exploration and development of its Leinster South tenements.

Outlook:

The Leinster South Project covers an expansive 430km² and lies along the southeastern limb of the Lawlers Anticline in the Agnew Greenstone Belt. Since discovering high-grade gold at Siberian Tiger in mid-2024, Metal Hawk has continued mapping and sampling at regional prospects such as Thylacine and Tyson's. The new Thylacine prospect, which has multiple quartz veins with significant gold grades, has become a priority target for future exploration. The company is planning extensive reverse circulation (RC) drilling, focusing on the Siberian Tiger and Thylacine prospects, with more than 25 traverses to be cleared during the heritage survey in early 2025.

Technical Analysis:



(Chart source: TradingView) Weekly Candlestick Price Chart Pattern

The stock, while moving in a narrow range is trying to gain momentum having moved above its EMAs (Exponential moving average) on the daily timeframe. Apparently forming a base on the weekly chart, its continued trading above up trending middle band is indicating long term bullish outlook.

Veye's Take:

Metal Hawk continues to hold interests in other promising projects in Western Australia. The Berehaven Project, located near Kalgoorlie, has shown potential for nickel sulphide and gold mineralization, but the company has not pursued further exploration since the discovery of high-grade gold at Leinster South. The Yarmany Project, which spans 50 km along the Ida Fault, is considered prospective for lithium, nickel sulphide, and gold, though it only underwent rehabilitation work during the quarter. Through its strategic diversion into gold, Metal Hawk is focusing its resources primarily on the Leinster South region, where it sees the most potential for growth and discovery. **Veye maintains a "Hold" on "Metal Hawk Limited" at the closing price of \$0.330 (As of 7 March 2025).**

***All Data has been sourced from Company announcements and Refinitiv, Thomson Reuters.**

MAYFIELD GROUP HOLDINGS LIMITED

(ASX: MYG)

30-JAN-2025

Price Close (\$)	1.025
52 Week High (\$)	1.050
52 Week Low (\$)	0.575
Beta	1.00
Market Cap (\$)	92.13M
Dividend Yield	3.00%

Mayfield Group Holdings Limited (ASX: MYG) has made a notable announcement regarding its strong financial performance. The company declared a special dividend of \$5 million, equating to 5.3 cents per share, due to a substantial cash surplus that exceeds operational needs. This move highlights Mayfield's ongoing profitability and confidence in its future growth.

Alongside the special dividend, the company also confirmed an interim dividend of 1 cent per share, fully franked, for the half-year ending 31 December 2024. The interim dividend totals approximately \$943,310.

Moving forward, Mayfield plans to continue paying fully franked dividends every six months. Key dates for these dividends are as follows: the ex-dividend date is 31 January 2025, the record date is 3 February 2025, and the payment date is 14 February 2025.

Outlook:

Mayfield has secured significant new contracts across the renewable energy, data, and mining sectors. One of the standout deals is with the Central West Orana Renewable Energy Zone (CWO REZ), where the company was awarded a contract valued at \$20 million for the supply and installation of 26 Prefabricated Protection Buildings. The project, set to begin design work in January 2025 and construction in late 2025, will support the growth of Australia's renewable energy grid. Mayfield has also added other contracts worth approximately \$15 million, including projects in data centers, mining operations, and telecommunications. These new agreements have increased the company's work-in-hand to \$96 million, stretching well into the 2028 financial year.

Technical Analysis:



(Chart source: TradingView) Monthly Candlestick Price Chart Pattern

The stock has gained strong momentum in the current month. After accumulation in past four months, it gave a breakout and witnessed strong buying in last two sessions. Although getting into overbought zone on the daily timeframe, trading near upper Bollinger band on the monthly chart is indicating potential of commencing a higher leg in the short term.

Veye's Take:

Mayfield Group Holdings is positioning itself for further growth, driven by increasing demand in sectors such as AI, data centers, and renewable energy. The company is expanding its manufacturing capacity, including new facilities in South Australia and Western Australia, with potential for further East Coast expansion. Mayfield is also enhancing its product offerings, particularly in energy storage systems and modular substations, and is focusing on service growth, including long-term contracts in utilities and renewable energy sectors. Additionally, the company is integrating digital capabilities like wireless communication and remote monitoring into its operations, ensuring it is prepared to meet the needs of high-growth industries. Mayfield's strategic focus on defense, critical infrastructure, and renewable energy positions it well for long-term success. **Veye maintains a "Hold" on "Mayfield Group Holdings Limited" at the closing price of \$1.025 (As of 29 January 2025).**

***All Data has been sourced from Company announcements and Refinitiv, Thomson Reuters**

POLYMETALS RESOURCES LIMITED

(ASX: POL)

7-MAR-2025

Price Close (\$)	0.725
52 Week High (\$)	1.010
52 Week Low (\$)	0.210
Beta	0.93
Market Cap (\$)	166.56M
Dividend Yield	N/A

Polymetals Resources Limited (ASX: POL) is on track to achieve significant milestones with the Endeavor Mine restart, expected to deliver first production in April 2025 and first cash flows in May 2025.

The company has secured a US\$20M (A\$30M) facility, ensuring a fully funded mine restart and providing a solid foundation for its transition into zinc and silver production.

The Endeavor Mine benefits from over A\$200M in existing infrastructure, which enables a rapid 14-month payback period and A\$609M of free cash flow over the first 10 years of operations. With a well-funded growth pipeline and an experienced leadership team, Polymetals is poised for long-term success in one of Australia's most prolific mining districts, the Cobar Basin.

Outlook:

The company's exploration potential remains robust, with a 20+ year operational lifespan driven by high-grade results and regional exploration across 1,107 km². The Endeavor Mine is positioned to become a multi-decade asset, supported by a strategic exploration program, including advanced priority targets north and south of the mine. In addition to the restart, Polymetals plans to enhance processing with the addition of a leach circuit to recover further silver and gold, and increase the recovery of zinc and precious metals from stored tailings. The company's near-mine drilling and regional exploration activities are backed by a two-year A\$10M budget to drive future growth and resource upgrades.

Technical Analysis:



(Chart source: TradingView) Monthly Candlestick Price Chart Pattern

The stock has been well protecting its 200 EMA (Exponential moving average) on the daily timeframe. Now it is gaining momentum and moving to 14/21 EMA. It is exhibiting strength on the monthly chart by trading above ichimoku cloud and middle band. This indicates its potential for long term bullishness.

Veye's Take:

While Polymetals has secured funding and is advancing its projects on time and within budget, there are risks tied to the execution of such a large-scale operation. Although the restart is progressing smoothly, A\$20M of capital remains to be deployed, and the final execution of regional exploration targets is still underway. Additionally, the company will need to manage operational risks, such as fluctuations in commodity prices and the complexities of restarting a mine after several years. However, the favorable market conditions for silver and zinc prices, along with strong offtake agreements, provide a positive backdrop for future success. **Veye maintains a "Hold" on "Polymetals Resources Limited" at the closing price of \$0.725 (As of 6 March 2025).**

***All Data has been sourced from Company announcements and Refinitiv, Thomson Reuters.**

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