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MCMining LIMITED

ABN 98 008 905 388

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 December 2025

CORPORATE DIRECTORY

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BOARD OF DIRECTORS

Non-executive
Muhui (Chris) Huang
Ontiretse Mathews Senosi
Bill Pavlovski
Dr Steele West
Lanlan (Lily) Wang
Dr. Huoxin (Hevin) Wang
Jianheng (Albert) Deng

Executive
Yi (Christine) He

COMPANY SECRETARY

Bill Pavlovski

	AUSTRALIA	SOUTH AFRICA
AUDITORS	**Forvis Mazars Audit & Assurance Pty Limited** 5/600 Bourke Street Melbourne Victoria 3000 Australia Tel: +61 3 9252 0800	**Forvis Mazars** 101 on Olympus Pentagon Park Bloemfontein South Africa
BANKERS	**National Australia Bank Limited** Level 1, 1238 Hay Street West Perth WA 6005 Australia	**ABSA Bank** North Campus 15 Alice Lane Sandton South Africa

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CORPORATE DIRECTORY (CONTINUED)

LAWYERS	**K&L GATES** Level 31 1 O'Connell Street Sydney, NSW 2000 Australia	**FALCON & HUME** 2nd Floor, 8 Melville Road Illovo Johannesburg, 2196 South Africa
NOMINATED ADVISER/ CORPORATE SPONSOR	**N/A**	**BSM Sponsors Proprietary Limited** Ground Floor, Jindal Africa Building 22 Kildoon Road Johannesburg South Africa 2196

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The Directors of MC Mining Limited ("MC Mining" or "the Company") submit herewith the financial report of MC Mining and its subsidiaries (the Group) for the half-year ended 31 December 2025. All amounts are expressed in United States dollars ("$") unless stated otherwise.

1. Directors

Non-Executive Directors

- Muhui (Chris) Huang
- Lanlan (Lily) Wang
- Dr. Huoxin (Hevin) Wang
- Dr. Steele West
- Mathews Senosi
- Bill Pavlovski
- Jianheng (Albert) Deng (Appointed 15 October 2025)
- Zhen (Brian) He (Resigned 15 October 2025)

Executive Director

- Yi (Christine) He – Managing Director & Chief Executive Officer (Appointed 1 October 2025)

2. Principal Activities

The Group is engaged in the mining, exploration, development, and future production of steelmaking coking coal and thermal coal in South Africa. Its key assets include:

- Uitkomst Colliery – operating metallurgical and thermal coal mine (84% owned)
- Makhado Project – hard coking and thermal coal project in development (67.3% owned)
- Vele Aluwani Colliery – semi-soft coking and thermal coal colliery with suspended operations pending the finalisation of the re-engineering business plan (100% owned)
- Greater Soutpansberg Projects (GSP) – exploration-stage coking and thermal coal projects comprising of the following three projects, Chapudi, Generaal, Mopane (74% owned)

3. Review of Operations

3.1 Uitkomst Colliery (Utrecht, KwaZulu-Natal)

Uitkomst recorded no fatalities during the half year (H1 FY2025: one fatality) and one LTI (H1 FY2025: two). Geological challenges, ageing equipment and distance to the coal face resulted in the 24% reduction in ROM production to 140,121 tonnes (H1 FY2025: 185,558 tonnes). Sales volumes declined by 28% to 87,447 tonnes (H1 FY2025: 121,793 tonnes).

Lower sales volumes, reduced thermal coal prices and the stronger Rand resulted in lower revenue of $6.6 million (H1 FY2025: $8.4 million), resulting in a gross loss of $3.9 million and operating cash outflow of $3.8 million (H1 FY2025: $4.7 million) with a negative net working capital of $0.4 million (FY2025: $2.8 million) at the end of December 2025. Continued losses led to the Board's decision to suspend operations (hibernation) effective 1 March 2026.

During hibernation, the focus is on asset protection, regulatory compliance and maintaining future restart optionality.

3.2 Makhado Project (Soutpansberg, Limpopo)

The Project achieved 1,005 LTI-free days and zero environmental incidents.

Major achievements included:

- Advancing construction of the CHPP with hot commissioning targeted for April 2026.
- Over 1.3 million BCM of overburden removed.
- Continued progress on the 22kV, 14 km power line including transformer delivery.
- Completion of the Mutamba River access bridge.
-

Makhado is designed to produce ~800,000 tonnes of steelmaking HCC per annum over a 28 year LOM.

3.3 Vele Aluwani Colliery

The Vele operation recorded no lost time injuries (LTIs) during the period (H1 FY2025: nil).

Operations remained suspended while a re-engineered business plan and logistics solution are evaluated. The remaining finished goods stockpiles on site following the suspension of operations were successfully disposed of at a nominal value.

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3. Review of Operations (continued)

3.4 Greater Soutpansberg Projects (GSP)

The GSP recorded zero LTIs (H1 FY2025). Activities included prioritising tenements for future development and preparing for environmental and water licence applications expected to progress during H1 CY2026.

4. Corporate Developments

4.1 IDC Loan Settlement

The IDC (6.7% shareholder in Baobab) continued supporting Makhado. ZAR20 million ($1.06 million) was repaid during the period, reducing borrowings.

4.2 Kinetic Development Group Subscription

A further $22 million was received under the Share Subscription Agreement.

5. Financial Review

The Group recorded a loss after tax attributable to owners of $8.137 million (H1 FY2025: $8.317 million).

Key financial metrics:

- Revenue: $6.581 million (FY2025 H1: $8.384 million)
- Cost of sales: $11.051 million (FY2025 H1: $12.543 million)
- Gross loss: $4.470 million (FY2025 H1: gross loss of $4.159 million)
- Other administrative expenses: $4.536 million (FY2025 H1: $4.392 million)
- Net FX gain: $232,000 (FY2025 H1: loss of $744,751)
- Cash and cash equivalents: $2.920 million (30 June 2025: $7.388 million)

Cash declines reflect Makhado capital investment and Uitkomst operating losses.

6. Market Outlook

6.1 Hard Coking Coal Market

HCC markets remain supported by strong Asian steel demand, climate driven supply disruptions in Queensland, and limited new global supply. Makhado's HCC product aligns well with potential domestic steel requirements and export channels.

6.2 Thermal Coal Market

API4 prices softened by 11.34% due to increased supply, seasonal demand reductions, and renewable penetration.

6.3 Market Implications for MC Mining

Makhado's commissioning is expected to reposition the Group as a primary South African producer of premium HCC.

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7. Key Risks and Mitigation Measures

7.1 Funding and Liquidity Risk

The Group remains dependent on the equity tranches, debt and BOOT funding. Mitigation includes ongoing KDG engagement, IDC alignment, tight cost control, and evaluation of alternative funding structures.

7.2 Operational and Project Execution Risk

Construction and commissioning delays are mitigated through enhanced project oversight, strong contractor presence and logistics optimisation via reviewing alternatives available when Makhado successfully commissions.

7.3 Commodity Price Risk

Sensitivity to coal price volatility is mitigated through increased focus on premium HCC and active monitoring of sales alternatives/options.

7.4 Regulatory and Permitting Risk

Mitigation includes proactive regulatory engagement, strong compliance performance and specialist advisory support. The Department of Mineral and Petroleum Resources conducted a comprehensive, multi-disciplinary onsite audit at Makhado during the reporting period covering health and safety, environmental, social and labour planning, and regulatory compliance.

7.5 Logistics and Infrastructure Risk

Mitigation includes flexible transport planning and continued engagement with logistics partners.

8. Authorised and issued share capital

691,571,278 issued shares at 31 December 2025. Share application money of $7 million received pending allotment. The holders of ordinary shares are entitled to one vote per share and to receive dividends when declared.

No dividends were declared.

9. Going Concern

Attention is drawn to the disclosure in the interim financial statements on the going concern assumption (refer note 2), noting that there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors are satisfied however, at the date of signing the interim financial report, that there are reasonable to strong grounds to believe that the Group will be able to continue to meet its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis. The directors have based this on a number of assumptions which are set out in detail in note 2 to the interim financial report. In order to meet its working capital requirements, the Group has made significant progress in the first half of FY2026 to remove this material uncertainty through the following initiatives:

- Completed the new equity raise for cash via the Kinetic Development Group Limited subscription;
- Successively extended the loan repayments due to the Industrial Development Corporation of South Africa Limited; and
- Progressed the build, own, operate, transfer (BOOT) funding arrangement.

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10. Events After Reporting Date

Subsequent to the reporting date, on 2 February 2026, the board of directors approved the temporary suspension of mining and processing operations at Uitkomst Colliery, with an initial intended effective date of 1 March 2026, subject to completion of the required statutory, labour and regulatory processes. These processes are ongoing at the date of this report.

The decision follows continued operational underperformance and cash losses experienced at the operation. The suspension is intended to be a care and maintenance measure and does not represent a permanent closure of the mine, a relinquishment of the mining right, nor a decision to place the operation into liquidation or business rescue.

During the hibernation period, activities will be undertaken to secure and preserve assets, maintain environmental and social compliance and protect the value of the operation.

Subsequent to the reporting date, the Company received $13 million in respect of share subscriptions for shares that had not yet been formally issued as at the date of approval of these financial statements. The amount will be presented within equity as share application money pending allotment until the shares are formally issued.

Kinetic Development Group Limited (Kinetic) made a payment of $3 million on the 5th January 2026 for the purchase of MC Mining shares, as part of the Share Subscription Agreement. The $3 million payment relates to the sixth Second Closing as per the Share Subscription Agreement. The $3 million payment in January 2026 together with the payment totalling $7 million that were made by Kinetic between 1 October 2025 and 31 December 2025, recognised as share application money as at 31 December 2025, completes the sixth Second Closing instalment. MC Mining issued 47,879,095 shares to Kinetic on 9 January 2026. The issue of shares to Kinetic on the 9th of January 2026 increased Kinetic's shareholding in MC Mining to 44.01%.

Kinetic made payments totalling $10 million between the 6th of January 2026 and the 27th of February 2026 for the purchase of MC Mining shares, as part of the Share Subscription Agreement. The $10 million payments relates to the seventh Second Closing as per the Share Subscription Agreement. MC Mining issued 47,879,095 shares to Kinetic on 12 March 2026. The issue of shares to Kinetic on the 12th of March 2026 increased Kinetic's shareholding in MC Mining to 47.42%.

Other than the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

11. Rounding

All amounts rounded off under ASIC Instrument 2016/191 to the nearest thousand dollars, unless otherwise indicated.

12. Auditor's Independence Declaration

The auditor's independence declaration is included on page 24 of the half-year report.

Signed on behalf of the Board

Mathews Senosi
Chairman
13 March 2026

Yi (Christine) He
Managing Director & CEO
13 March 2026

Dated at Johannesburg, South Africa, this 13th day of March 2026.

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MC MINING LIMITED
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Note	Six months ended 31 Dec 2025 $'000	Six months ended 31 Dec 2024 $'000
Revenue	4	6,581	8,384
Cost of sales	5	(11,051)	(12,543)
Gross loss		(4,470)	(4,159)
Other operating income	6	119	35
Other operating gains	7	360	330
Reversal of credit loss	8	-	148
Administrative expenses	9	(4,536)	(4,392)
Operating loss		(8,527)	(8,038)
Interest income		401	313
Finance costs		(400)	(897)
Loss before tax		(8,526)	(8,622)
Income tax benefit	10	175	237
LOSS AFTER TAX		(8,351)	(8,385)
Other comprehensive loss, net of income tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		5,516	(3,561)
Total comprehensive loss for the period		(2,835)	(11,946)
Loss after tax for the period attributable to:			
Owners of the parent		(8,137)	(8,317)
Non-controlling interests		(214)	(68)
		(8,351)	(8,385)
Total comprehensive loss attributable to:			
Owners of the parent		(2,621)	(11,878)
Non-controlling interests		(214)	(68)
		(2,835)	(11,946)
Loss per share			
Basic and diluted (cents per share)	12	(1.22)	(1.83)

The accompanying notes are an integral part of these condensed consolidated financial statements

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MC MINING LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	31 Dec 2025 $'000	30 June 2025 $'000
ASSETS			
Current assets			
Inventories	18	741	826
Trade and other receivables		1,685	2,600
Other financial assets		205	333
Cash and cash equivalents	17	2,920	7,388
Total current assets		5,551	11,147
Non-current assets			
Exploration and evaluation assets	13	24,067	22,901
Development assets	14	29,132	27,310
Property, plant and equipment	15	69,418	47,464
Intangible asset		497	466
Right-of-use assets	16	1,172	1,326
Other financial assets		4,928	4,309
Restricted cash	17	26	24
Total non-current assets		129,240	103,800
Total assets		134,791	114,147
LIABILITIES			
Current liabilities			
Borrowings	20	10,865	11,307
Trade and other payables		9,462	9,104
Bank overdraft	17	1,267	1,105
Provisions		329	434
Tax liabilities		281	264
Lease liabilities	19	651	662
Total current liabilities		22,855	22,876
Non-current liabilities			
Provisions		8,203	6,739
Deferred tax liability		1,000	1,110
Lease liabilities	19	797	988
Borrowings	20	6	26
Total non-current liabilities		10,006	8,863
Total liabilities		32,861	31,739
NET ASSETS		101,930	83,208
EQUITY			
Issued capital	21	1,127,255	1,107,698
Share application money received	21	7,000	5,000
Accumulated deficit		(987,982)	(979,845)
Reserves		(42,590)	(48,106)
Equity attributable to owners of the parent		103,683	84,747
Non-controlling interests		(1,753)	(1,539)
TOTAL EQUITY		101,930	83,208

The accompanying notes are an integral part of these condensed consolidated financial statements

MC MINING LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Issued capital	Share application money received	Accumulated deficit	Share based payment reserve	Capital profits reserve	Foreign currency translation reserve	Attributable to owners of the parent	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2025	**1,107,698**	**5,000**	**(979,845)**	**884**	**91**	**(49,081)**	**84,747**	**(1,539)**	**83,208**
Total comprehensive profit/(loss) for the period	-	-	(8,137)	-	-	5,516	(2,621)	(214)	(2,835)
Loss for the period	-	-	(8,137)	-	-	-	(8,137)	(214)	(8,351)
Other comprehensive income, net of tax	-	-	-	-	-	5,516	5,516	-	5,516
				-	-	-			
Issue of equity	15,000	-	-	-	-	-	15,000	-	15,000
Share issue costs	(443)	-	-	-	-	-	(443)	-	(443)
Shares registered during the period	5,000	(5,000)	-	-	-	-	-	-	-
Share application money received	-	7,000	-	-	-	-	7,000	-	7,000
Balance at 31 December 2025	**1,127,255**	**7,000**	**(987,982)**	**884**	**91**	**(43,565)**	**103,683**	**(1,753)**	**101,930**
Balance at 1 July 2024	**1,071,127**	**-**	**(944,995)**	**1,715**	**91**	**(51,295)**	**76,643**	**(1,236)**	**75,407**
Total comprehensive profit/(loss) for the period	-	-	(8,317)	-	-	(3,561)	(11,878)	(68)	(11,946)
Loss for the period	-	-	(8,317)	-	-	-	(8,317)	(68)	(8,385)
Other comprehensive loss, net of tax	-	-	-	-	-	(3,561)	(3,561)	-	(3,561)
Issue of equity	12,883	-	-	-	-	-	12,883	-	12,883
Share issue costs	(711)	-	-	-	-	-	(711)	-	(711)
Performance rights expired	-	-	760	(760)	-	-	-	-	-
Balance at 31 December 2024	**1,083,299**	**-**	**(952,552)**	**955**	**91**	**(54,856)**	**76,937**	**(1,304)**	**75,633**

The accompanying notes are an integral part of these condensed consolidated financial statements

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MC MINING LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Note	Six months ended 31 Dec 2025 $'000	Six months ended 31 Dec 2024 $'000
Cash Flows from Operating Activities			
Receipts from customers		5,666	9,117
Payments to employees and suppliers		(10,722)	(16,795)
Cash used in operations		(5,056)	(7,678)
Interest received		288	298
Interest paid		(223)	(282)
Net cash used in operating activities		(4,991)	(7,662)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	15	(17,868)	(159)
Investment in exploration and evaluation assets	13	(171)	-
Investment in development assets	14	(2)	(5,159)
Purchase of other financial assets		(163)	(2,464)
Proceeds from the disposal of other financial assets		128	5,549
Net cash used in investing activities		(18,076)	(2,233)
Cash Flows from Financing Activities			
Proceeds from issue of shares		15,000	12,883
Share application money received		7,000	-
Share issue costs		(443)	(711)
Lease repayments	19	(275)	(259)
Proceeds from borrowings	20	-	2,560
Borrowings repayments	20	(1,164)	(1,018)
Net cash generated/(used) in financing activities		20,118	13,455
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,949)	3,560
Cash and cash equivalents at the beginning of the half-year		6,283	(1,057)
Foreign exchange differences		(1,681)	141
Cash and cash equivalents at the end of the half-year	17	1,653	2,644

The accompanying notes are an integral part of these condensed consolidated financial statements

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1. Significant Accounting Policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting'*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of financial instruments and assets held for sale. Cost is based on the fair values of the consideration given in exchange for assets.

All amounts are presented in United States dollars, unless otherwise noted.

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statement. Amounts in the directors' report and the half-year financial report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2025 annual financial report for the financial year ended 30 June 2025, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with the Australian Accounting Standards and with IFRS® Accounting Standards.

Where applicable, certain comparatives have been adjusted to conform with current year presentation.

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the **AASB**) that are relevant to their operations and effective for the current reporting period.

2. Going Concern

The Group incurred a net loss after tax of $8.4 million for the half year ended 31 December 2025 (31 December 2024: loss $8.4 million). Net cash used in operating activities was $6.5 million (31 December 2024: $7.7 million). At 31 December 2025, the Group had current assets of $5.6 million and current liabilities of $22.9 million (net current liabilities $17.3 million). Cash and cash equivalents were $2.9 million, with a bank overdraft of $1.3 million recognised within current liabilities.

Subsequent to period end, on 2 February 2026, the Board approved the temporary suspension (hibernation) of mining and processing operations at Uitkomst Colliery with an initial intended effective date of 1 March 2026, subject to completion of statutory, labour and regulatory processes. The suspension is intended to stem ongoing operational cash losses and does not represent a permanent closure or a decision to place the operation into liquidation or business rescue. These processes are ongoing at the date of this report.

During the half year, the Group continued to progress its funding plan, including receipts under the Kinetic Development Group Limited share subscription (cash received $22.0 million in the period, with $7.0 million recorded as share application money pending allotment). The Group also continued to implement the IDC Settlement Agreement (March 2025) in relation to the Makhado Project funding, under which no further interest accrues and repayments of the capital balance (outstanding $10.9 million at 31 December 2025) occur under a programme extending to March 2026, subject to the fulfilment of conditions precedent.

The Directors have prepared cash flow forecasts for the 12-month period from the date of this report to March 2027 which incorporate the expected timing of equity subscriptions, IDC settlement, the planned commissioning and ramp up of Makhado, and the effect of Uitkomst hibernation, other cost measures and other debt and equity raising. These forecasts indicate that, assuming the timely completion of the funding initiatives and commissioning milestones described above, the Group will have sufficient liquidity to meet its obligations as they fall due for a period of at least twelve months from the date of this report.

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2. Going Concern (continued)

Material uncertainty related to going concern

The successful outcome and timing of the funding initiatives and project milestones described above are not wholly within the Group's control. As such, material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern, and therefore, the Group may be unable to realise its assets and discharge its liabilities in the ordinary course of business. Notwithstanding this material uncertainty, the Directors believe that the use of the going concern basis of accounting remains appropriate. These financial statements do not include any adjustments that would be necessary should the Group be unable to continue as a going concern.

3. Segment Information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's Managing Director and CEO for the purposes of resource allocation and assessment of performance is more specifically focused on the stage within the mining pipeline that the operation finds itself in.

The Group's reportable segments under AASB 8 are therefore as follows:

- Exploration
- Development
- Mining

The Exploration segment is involved in the search for resources suitable for commercial exploitation, and the determination of the technical feasibility and commercial viability of resources. As of 31 December 2025, projects within this reportable segment include three exploration stage coking and thermal coal complexes, namely the Chapudi Complex (which comprises the Chapudi project, the Chapudi West project and the Wildebeesthoek project), Generaal (which comprises the Generaal Project and the Mount Stuart Project) and Mopane (which comprises the Voorburg Project and the Jutland Project).

The Makhado Project was classified as in the Development segment. This segment is engaged in establishing access to and commissioning facilities to extract, treat and transport production from the mineral reserve, and other preparations for commercial production.

The Mining segment is involved in day to day activities of obtaining a saleable product from the mineral reserve on a commercial scale and consists of Uitkomst Colliery and the Vele Aluwani Colliery.

The Group evaluates performance on the basis of segment profitability, which represents net operating (loss)/profit earned by each reportable segment.

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3. Segment Information (continued)

Each reportable segment is managed separately because, amongst other things, each reportable segment has substantially different risks.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

The Group's reportable segments focus on the stage of project development and the product offerings of coal mines in production.

The following is an analysis of the Group's results by reportable operating segment for the period under review:

For the six months ended 31 December 2025

	$'000	$'000	$'000	$'000
	Exploration	**Development**	**Mining**	**Total**
Revenue	-	-	6,581	6,581
Cost of sales	-	-	(11,051)	(11,051)
Gross loss	-	-	(4,470)	(4,470)
Other operating income	-	1	95	96
Other operating gains	-	54	43	97
Administrative expenses	-	(1,147)	(593)	(1,740)
Loss before interest	**-**	**(1,092)**	**(4,925)**	**(6,017)**
Interest income	-	66	1	67
Finance costs	-	(9)	(355)	(364)
Loss before tax	**-**	**(1,035)**	**(5,279)**	**(6,314)**

For the six months ended 31 December 2024

	$'000	$'000	$'000	$'000
	Exploration	**Development**	**Mining**	**Total**
Revenue	-	-	8,384	8,384
Cost of sales	-	-	(12,543)	(12,543)
Gross loss	-	-	(4,159)	(4,159)
Other operating income	7	-	35	42
Reversal of credit losses	-	-	148	148
Other operating losses	-	(1)	-	(1)
Administrative expenses	-	(831)	(633)	(1,464)
Loss before interest	**7**	**(832)**	**(4,609)**	**(5,434)**
Interest income	-	102	35	137
Finance costs	-	(257)	(475)	(732)
Loss before tax	**7**	**(987)**	**(5,049)**	**(6,029)**

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3. Segment Information (continued)

The following is an analysis of the Group's assets by reportable operating segment:

	31 Dec 2025 $'000	30 June 2025 $'000
Exploration	23,052	22,523
Development	80,069	57,491
Mining	20,843	19,900
Total segment assets	123,964	99,914

Reconciliation of segment information to the consolidated financial statements:

	31 Dec 2025 $'000	31 Dec 2024 $'000
Total loss before tax for reportable segments	(6,314)	(6,029)
Other operating gains	263	331
Administrative expenses	(2,789)	(2,933)
Other operating income	19	1
Interest income	333	176
Finance costs	(39)	(168)
Loss before tax	(8,527)	(8,622)

	31 Dec 2025 $'000	30 June 2025 $'000
Total segment assets	123,964	99,914
Unallocated property, plant and equipment	5,386	5,095
Other financial assets	1,589	1,403
Unallocated right-of-use assets	246	273
Restricted cash	26	24
Unallocated exploration and evaluation assets	403	300
Unallocated current assets	3,177	7,938
Total assets	134,791	114,947

The reconciling items relate to corporate assets.

4. Revenue

Revenue consists of the sale of coal by the Uitkomst Colliery.

5. Cost of sales

Cost of sales consists of:

	31 Dec 2025 $'000	31 Dec 2024 $'000
Salaries and wages	(3,771)	(4,586)
Mining expense	(1,774)	(1,493)
Depreciation and amortisation	(563)	(728)
Logistics	(3)	-
Other direct mining costs	(2,384)	(2,118)
Inventory	(18)	(921)
Other	(2,538)	(2,697)
	(11,051)	(12,543)

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6. Other operating income

Other operating income includes:

	31 Dec 2025 $'000	31 Dec 2024 $'000
Sale of scrap	4	4
Other	115	31
	119	35

7. Other operating gains

Other operating gains or losses include:

	31 Dec 2025 $'000	31 Dec 2024 $'000
Foreign exchange (loss)/profit		
Unrealised	157	169
Realised	75	(20)
Other	128	181
	360	330

8. Reversal of credit loss

	31 Dec 2025 $'000	31 Dec 2024 $'000
Reversal of expected credit losses	-	148
	-	148

9. Administrative expenses

	31 Dec 2025 $'000	31 Dec 2024 $'000
Employee costs	(1,453)	(2,165)
Depreciation and amortisation	(146)	(172)
Other	(2,228)	(1,861)
Professional fees	(709)	(194)
	(4,536)	(4,392)

10. Income tax (benefit)

The income tax (benefit)/expense relates to the following:

	31 Dec 2025 $'000	31 Dec 2024 $'000
Deferred tax current year	(175)	(237)
	(175)	(237)

11. Dividends

No dividend has been paid by MC Mining or is proposed in respect of the half-year ended 31 December 2025 (FY 2025 H1: nil)

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12. Loss per share

12.1 Basic loss per share

	31 Dec 2025	31 Dec 2024
	Cents per share	Cents per share
Basic loss per share		
Basic loss per share	(1.22)	(1.83)
	$'000	**$'000**
Loss for the period attributable to owners of the parent	(8,137)	(8,317)
	31 Dec 2025	**31 Dec 2024**
	'000 shares	**'000 shares**
Weighted number of ordinary shares		
Weighted average number of ordinary shares for the purposes of basic loss per share	667,111	454,397

12.2 Diluted loss per share

Diluted loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of dilutive ordinary share that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

As the Company is in a loss position, the diluted potential ordinary shares impact is anti-dilutive.

12.3 Headline loss per share (in line with JSE listing requirements)

The calculation of headline loss per share at 31 December 2025 was based on the headline loss attributable to ordinary equity holders of the Company of $8,137,000 (FY 2025 H1: $8,317,000) and a weighted average number of ordinary shares outstanding during the period ended 31 December 2025 of 667,111,303 (FY 2025 H1: 454,396,618).

The adjustments made to arrive at the headline loss are as follows:

	31 Dec 2025 $'000	31 Dec 2024 $'000
Loss after tax for the period attributable to ordinary shareholders	(8,137)	(8,317)
Headline loss	(8,137)	(8,317)
Headline loss per share (cents per share)	**(1.22)**	**(1.83)**

13. Exploration and evaluation assets

A reconciliation of exploration and evaluation assets is presented below:

Exploration and evaluation assets

	31 Dec 2025 $'000	30 June 2025 $'000
Balance at beginning of period	22,901	70,545
Additions	171	6
Impairment loss recognised in profit or loss	-	(12,387)
Transfer to property, plant and equipment	-	(9,121)
Transfer to development assets	-	(26,593)
Foreign exchange differences	995	451
Balance at end of period	24,067	22,901

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14. Development assets

A reconciliation of development assets is presented below:

Development assets

	31 Dec 2025 $'000	30 June 2025 $'000
Balance at beginning of period	27,310	-
Additions	2	22
Transfer from exploration and evaluation assets	-	26,593
Foreign exchange differences	1,820	695
Balance at end of period	29,132	27,310

15. Property, plant and equipment

The Group had significant additions amounting to US$17.9 million (FY 2025 H1: $0.2 million) during the period.

16. Right-of-use assets

The Group leases various assets including land, buildings, plant and machinery and vehicles. The movement in the right-of-use assets is as follows:

	31 Dec 2025 $'000	30 June 2025 $'000
Balance at beginning of the period	1,326	1,965
Depreciation	(232)	(557)
Modification	2	(18)
Disposals	-	(103)
Foreign exchange differences	76	39
Balance at end of period	1,172	1,326

17. Cash and cash equivalents

	31 Dec 2025 $'000	30 June 2025 $'000
Bank balances	2,920	7,388
Bank overdraft	(1,267)	(1,105)
	1,653	6,283
Restricted cash	26	24
	26	24

The bank overdraft relates to an ABSA Bank Limited (**ABSA**) facility for $1.5 million (ZAR24.98 million). The facility is for short-term working capital requirements and potential expansion opportunities. It has a floating coupon at the South African Prime rate plus 3.0%, with a general notarial bond over Uitkomst's assets as well as a cession of the colliery's trade receivables. The facility is subject to annual review.

18. Inventory

	31 Dec 2025 $'000	30 June 2025 $'000
Consumable stores	671	699
Finished goods	77	138
Provision for obsolete inventory	(7)	(11)
	741	826

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19. Lease liabilities

The movement in the lease liabilities is as follows:

	31 Dec 2025 $'000	30 June 2025 $'000
Balance at beginning of the period	1,650	2,272
Modification	(47)	(18)
Interest	94	252
Repayments	(275)	(764)
Terminations	(94)	(137)
Foreign exchange differences	120	45
Balance at end of period	1,448	1,650
Non-current	797	988
Current	651	662
	1,448	1,650

The maturity of the Group's undiscounted lease payments is as follows:

	31 Dec 2025 $'000	30 June 2025 $'000
Not later than one year	701	705
Later than one year and not later than two years	401	630
Later than two years and not later than three years	89	99
Later than three years and not later than four years	94	86
Later than four years and not later than five years	101	91
	797	796
	2,183	2,407
Less future finance charges	(735)	(757)
Present value of minimum lease payments	1,448	1,650

20. Borrowings

	31 Dec 2025 $'000	30 June 2025 $'000
Opening balance	11,333	17,545
Loans raised during the year	-	2,527
Repayments	(1,164)	(9,553)
Interest accrued	3	336
Foreign exchange differences	699	478
Balance at end of period	10,871	11,333
Non-current	6	26
Current	10,865	11,307
	10,871	11,333

Industrial Development Corporation of South Africa Limited

The original loan facilities granted to Baobab under agreements concluded with the IDC in or around May 2017 and August 2020 were subsequently superseded by a Settlement Agreement entered into in March 2025. In terms of the Settlement Agreement, no further interest will accrue on the IDC loans. Baobab is currently repaying the capital portion of these loans in accordance with a repayment programme that extends to March 2026, pending the fulfilment of the conditions precedent set out in the Settlement Agreement. The remaining balance at the end of March 2026 will be converted into equity as stipulated in the Settlement Agreement. As at 31 December 2025, the outstanding capital and interest totalled $10.8 million (ZAR 180 million).

20. Borrowings (continued)

Dendocept (Pty) Ltd

The ZAR20 million (US$1.06 million) loan facility obtained from Dendocept (Pty) Ltd is unsecured and bears interest at the South African Prime interest rate plus 3% with a maturity date of 30 June 2025. The outstanding balance was settled during the prior period.

Eagle Canyon International Group Holding (Hong Kong) Limited

The AUD$0.9 million (US$0.61 million) loan facility obtained from Eagle Canyon International Group Holding (Hong Kong) Limited is unsecured and bears interest at the Australian Reserve Bank interest rate plus 3% with a maturity date of 30 June 2025. The outstanding balance was settled during the prior period.

21. Issued Capital

During the reporting period the Company issued 95,758,190 ordinary shares.

	31 Dec 2025 $'000	30 June 2025 $'000
691,571,278 (FY2025: 476,115,351) fully paid ordinary shares	1,127,255	1,107,698

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Options

No options were issued during the period.

Performance Rights

No performance rights were issued during the period.

Share application money received

Share application money pending allotment represents an amount of US$7,000,000 received for 33,515,366 shares that had not yet been formally issued as at the reporting date. This amount is presented within equity, as the company has no obligation to refund it.

22. Contingencies and Commitments

Contingent liabilities

The Group has no significant contingent liabilities at reporting date.

Commitments

As at 31 December 2025, the Group had a $1.2 million commitment which relate to its social and labour plan at Uitkomst Colliery. In addition to the amount provided in the consolidated statement of financial position.

In addition to the commitments of the parent entity, subsidiary companies have typical financial commitments associated with their mining rights granted by the South African DMRE.

23. Events subsequent to reporting

Subsequent to the reporting date, on 2 February 2026, the board of directors approved the temporary suspension of mining and processing operations at Uitkomst Colliery, with an initial intended effective date of 1 March 2026, subject to completion of the required statutory, labour and regulatory processes. These processes are ongoing at the date of this report.

The decision follows continued operational underperformance and cash losses experienced at the operation. The suspension is intended to be a care and maintenance measure and does not represent a permanent closure of the mine, a relinquishment of the mining right, nor a decision to place the operation into liquidation or business rescue.

During the hibernation period, activities will be undertaken to secure and preserve assets, maintain environmental and social compliance and protect the value of the operation.

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23. Events subsequent to reporting (continued)

Subsequent to the reporting date, the Company received $13 million in respect of share subscriptions for shares that had not yet been formally issued as at the date of approval of these financial statements. The amount will be presented within equity as share application money pending allotment until the shares are formally issued.

Kinetic Development Group Limited (Kinetic) made a payment of $3 million on the 5th January 2026 for the purchase of MC Mining shares, as part of the Share Subscription Agreement. The $3 million payment relates to the sixth Second Closing as per the Share Subscription Agreement. The $3 million payment in January 2026 together with the payment totalling $7 million that were made by Kinetic between 1 October 2025 and 31 December 2025, recognised as share application money as at 31 December 2025, completes the sixth Second Closing instalment. MC Mining issued 47,879,095 shares to Kinetic on 9 January 2026. The issue of shares to Kinetic on the 9th of January 2026 increased Kinetic's shareholding in MC Mining to 44.01%.

Kinetic made payments totalling $10 million between the 6th of January 2026 and the 27th of February 2026 for the purchase of MC Mining shares, as part of the Share Subscription Agreement. The $10 million payments relates to the seventh Second Closing as per the Share Subscription Agreement. MC Mining issued 47,879,095 shares to Kinetic on 12 March 2026. The issue of shares to Kinetic on the 12th of March 2026 increased Kinetic's shareholding in MC Mining to 47.42%.

Other than the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

24. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

25. Financial Instruments

Fair value of financial assets and liabilities

The fair value of a financial asset or a financial liability is the amount at which the asset could be exchanged or liability settled in a current transaction between willing parties in an arm's length transaction. The fair values of the Group's financial assets and liabilities approximate their carrying values, as a result of their short maturity or because they carry floating rates of interest.

All financial assets and liabilities recorded in the consolidated financial statements approximate their respective fair values.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3, based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities. The balances classed here are financial assets comprising deposits and listed securities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The financial assets classed as Level 2 comprise of investments with investment firms. These investments serve as collateral for rehabilitation guarantees. The third party utilised a market approach with level 2 inputs in determining the value. The inputs used to determine fair values of listed or quoted investments are based on the quoted market price at reporting period date.

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

There were no assets reclassified into/out of fair value through profit and loss (**FVTPL**) during the period nor were any assets transferred between levels.

25. Financial Instruments (continued)

Fair value of financial assets and liabilities (continued)

As at 31 December 2025 ($'000)	Level 1	Level 2	Level 3	Total
Other Financial Assets	-	4,466	-	4,466
	-	4,466	-	4,466

As at 30 June 2025 ($'000)	Level 1	Level 2	Level 3	Total
Other Financial Assets	-	4,036	-	4,036
	-	4,036	-	4,036

Categories of other financial assets

	31 Dec 2025 $'000	30 June 2025 $'000
Equity securities in investment funds[2]	4,261	3,703
Deposits[1]	667	606
Short-term liquid investments[2]	205	333
	5,133	4,642

[1] Financial instrument classified at amortised cost.

[2] Financial instrument classified at fair value through profit or loss.

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MC MINING LIMITED
DIRECTORS DECLARATION

Directors' Declaration

The Directors declare that in the directors' opinion,

1. The condensed financial statements and notes of the consolidated entity are in accordance with the following:

   a. complying with Australian accounting standards and the *Corporations Act 2001*; and

   b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the half-year ended on that date.

2. There are reasonable grounds to believe that the Company 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, made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors

Mathews Senosi
Chairman
13 March 2026

Yi (Christine) He
Managing Director and Chief Executive Officer
13 March 2026

Dated at Johannesburg, South Africa, this 13th day of March 2026.

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Auditor's Independence Declaration to the Directors of MC Mining Limited

As lead auditor for the review of the half-year financial report of MC Mining Limited for the half-year ended 31 December 2025, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of MC Mining Limited and the entities it controlled during the half-year ended 31 December 2025.

Forvis Mazars

Forvis Mazars Audit & Assurance Pty Ltd

Graeme Hedding
Director

13 March 2026

Forvis Mazars Audit & Assurance Pty Ltd
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Independent Auditor's Review Report to the Members of MC Mining Limited

Conclusion

We have reviewed the accompanying half-year financial report of MC Mining Limited (the "Company") and its controlled entities (collectively the "Group"), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, 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 the Group does not comply with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *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 (ASRE 2410)*. Our responsibilities are further described in the Auditor's responsibilities for the review of the half-year financial report section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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.

Material uncertainty related to going concern

We draw attention to note 2 in the half-year financial report, which describes recent operating losses and the financial position of the Group. As stated in note 2, these events or conditions, along with other matters as set out in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our review conclusion is not modified in respect of this matter.

Directors' responsibility 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 and the *Corporations Act 2001* and for such internal control as the directors' determine is necessary to enable the presentation 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.

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. *ASRE 2410* requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and of 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.

Forvis Mazars

Forvis Mazars Audit & Assurance Pty Ltd

Graeme Hedding

Director

13 March 2026