For personal use only

MCMining LIMITED

ABN 98 008 905 388

Consolidated Annual Financial Statements for the year ended 30 June 2026

(Expressed in United States Dollars unless otherwise stated)

MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2026

Index

	Page
Directors' Report	2 - 18
Consolidated Entity Disclosure Statement	19
Interim Managing Director and Chief Executive Officer Certification Sign-off	20
Directors' declaration	21
Independent Auditor's Report	22 - 25
Auditor Independence	26
Consolidated Statement of Financial Position	27
Consolidated Statement of Profit or Loss and Other Comprehensive Income	28
Consolidated Statement of Changes in Equity	29
Consolidated Statement of Cash Flows	30
Accounting Policies	31 - 53
Notes to the Consolidated Financial Statements	54 - 85
Tenements held by MC Mining and its Controlled Entities	86 - 89
Shareholder information	90 - 91
Corporate information	92
Resources and Reserve Statement	93 - 98

For personal use only

Directors' Report

The directors of MC Mining Limited (MC Mining or the Company) submit herewith the annual report of the Company and the entities controlled by the Company (its subsidiaries), collectively referred to as the "Group", for the financial year ended 30 June 2026. All balances are denominated in United States dollars unless otherwise stated. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

1. Information about the directors and key management personnel

The names and particulars of the directors of the Company during or since the end of the financial year are set out below. Unless otherwise stated, the directors held office during the whole of the financial year:

Zhen (Brian) He	Non-Executive Director	Resigned: 15 October 2025	Mr He holds a Bachelor's degree in Business Administration from Sichuan University and is currently Marketing and Public Relations Executive for Pan African Mining Pvt. Ltd. Between 2012 and 2015, Brian worked as Managing Director of Real Gain Investment Pvt. Ltd and was responsible for infrastructure and construction market development, as well as overseas market investments. He has previously served as Construction Manager for CRI – Eagle Investments (Pty) Ltd and Eagle Canyon Investments (Pty) Ltd.
Ontiretse Mathews Senosi	Non-Executive Director	Ceased as Interim Chairman: 19 May 2026	Mr Senosi is a qualified Mining Engineer (University of the Witwatersrand) with over 25 years' experience in mining and project execution. He gained experience at Anglo Coal before successfully pursuing personal business interests in mining, engineering and consulting as well as civil and construction projects, and was a key contributor in the successful execution of numerous coal mining projects. Mr Senosi has extensive experience in opencast and underground coal mining and is the CEO of the Overlooked Mining Group which produces over 7.5 million tonnes per annum of thermal coal for the export and domestic markets. He represents the Senosi Group Investment Holdings (Pty) Ltd.
Yi (Christine) He	Managing Director and Chief Executive Officer	Appointed on a substantive basis: 1 October 2025 Resigned as Managing Director and Chief Executive Officer and continued as a Non-Executive Director: 29 July 2026	Ms He has a bachelor's degree in English Literature from Sichuan University and over 20 years' experience at senior management level. Her broad commercial experience includes, amongst others, the financing, development and execution of large construction and mining projects.

For personal use only

Directors' Report

1. Information about the directors and key management personnel (continued)

Muhui (Chris) Huang	Non-Executive Director		Mr Huang obtained his MBA degree from University College London and Peking University in 2020, Jurist Master degree from China University of Political Science & Law in 2010, and Bachelor degree from Beijing Foreign Studies University in 2005. With more than 15 years' experience in the fields of IPO and M&A, corporate finance, project management and government relations, Muhui has previously worked with SRK Consulting providing independent technical advisories to mining and resource companies, financial institutions and strategic investors' various types of transactions in capital markets. He also worked with multinational companies focusing on business development and cross-border project management. Muhui is a member of Australasian Institute of Mining and Metallurgy (AUSIMM).
Bill Pavlovski	Independent Non-Executive Director	Resigned: 5 May 2026	Mr Pavlovski is an experienced company executive with a strong focus on company secretarial and corporate advisory matters for ASX-listed companies. Mr Pavlovski brings a deep understanding and extensive experience of capital markets, which has underpinned a respected career spanning over 15 years. His experience includes roles across Banking, Wealth Management, Stock Broking and Corporate Advisory services. Mr Pavlovski holds a degree in Applied Economics and International Trade as well as having formal qualifications in ASIC Regulatory Guide 146 for licensing (RG146).
Dr Steele West	Independent Non-Executive Director		Dr Steele West holds a Phd (Applied Economics) from the University of Western Australia and a Bachelor of Arts (Business Economics, Honours) from Brown University. He is currently a Senior Business Development Manager with ATCO Australia Pty Limited. ATCO Limited, operating as the ATCO Group, is a publicly-traded Canadian engineering, logistics and energy holding company based in Calgary, Alberta with c.C$22 billion in assets. Dr West has also held additional senior executive positions such as his role as Commercial and Project Development Manager with Zenith Energy in Perth, Western Australia.
Lanlan (Lily) Wang	Non-Executive Director		Ms Wang is the vice president and chief financial officer of Kinetic Development Group. She is fully responsible for the financial management of the Group and is also the president of Kinetic (Asia) Limited. She has over a decade of experience in corporate finance, corporate listings and asset appraisal, with a strong track record in managing cross-border transactions. Prior to her current role, Ms Wang was a Senior Project Manager at Jones Lang LaSalle (Beijing) Consultants Limited, where she participated in capital transactions for more than 30 listed enterprises. She has also served as Investor Relations Director of China New Material Technology Holdings Limited and as Vice President of Chuang Xin (China) Group Limited. Ms Wang holds a Master's degree in Business Administration from Fudan University and The University of Hong Kong.

For personal use only

Directors' Report

1. Information about the directors and key management personnel (continued)

Dr. Huoxin (Hevin) Wang	Non-Executive Director		Dr Wang holds a PhD in Financial Accounting from the University of Hong Kong, a postgraduate qualification in Corporate Governance from Fudan University, and a Bachelor's degree in Accounting from the China University of Mining and Technology. He currently serves as the Chairman's Assistant and Group Deputy General Manager of Finance at Eagle Canyon International Group, where he manages operations and financial activities, including cross-border investments, mergers and acquisitions, organisational optimisation, and investment strategy design. Dr Wang's previous roles include Portfolio Manager at Eagle Investment Management and Assistant to the Chief Financial Officer and Company Secretary at KFM Kingdom Holdings Limited.
Jianheng (Albert) Deng	Non-Executive Chairman, Interim Managing Director and Chief Executive Officer	Appointed as Non-Executive Director: 15 October 2025 Appointed Non-Executive Chairman: 19 May 2026 Appointed Interim Managing Director and Chief Executive Officer: 29 July 2026	Mr Deng holds a Master of Science in Finance from the University of Glasgow and a Bachelor of Law from the South China University of Technology. He is a Chartered Financial Analyst (CFA) and holds the Legal Professional Qualification Certificate in China. He is currently Chairman of KDG's South Africa International Logistics and Transportation Company, where he has overseen the establishment and management of mining engineering and logistics operations in the region. He previously served as Assistant President and Investment Director at Guangzhou R&F Properties, where he was responsible for investment strategy, due diligence, and the management of large-scale projects. Fluent in Mandarin, Cantonese and English, Mr Deng brings a combination of international commercial expertise and governance experience to the role.
Guo Xin	Non-Executive Director (KDG nominee)	Appointed: 5 May 2026	Mr Guo holds dual bachelor's degrees in Mining Engineering from the China University of Mining and Technology and in Geological Exploration Engineering from the China University of Geosciences, and is an Intermediate Engineer. He has more than a decade of front-line experience in the coal industry, all of it with Inner Mongolia Zhungeerqi Kinetic Coal Industry Co., Ltd., a subsidiary of KDG, where he has progressed from technical specialist roles in fully mechanised mining and the general dispatching room to his current position as Deputy Chief Engineer at the Dafanpu Coal Mine. In that role, Mr Guo is responsible for underground coal mining technical management, mining face design and roadway support, geological structure analysis, hydrological surveying and water-hazard prevention and control, technical innovation and safety oversight.

For personal use only

Directors' Report

1. Information about the directors and key management personnel (continued)

Mei Zhang	Non-Executive Director (KDG nominee)	Appointed: 5 May 2026	Ms Zhang holds a bachelor's degree in Communication Signal Carrier Engineering from the Beijing University of Posts and Telecommunications. She commenced her career as a communications engineer at the Guangzhou Telecommunications Bureau, before migrating to Australia in 1989. She has subsequently held senior procurement and supply chain leadership roles in Australia, including as Procurement Manager at Power Box Pty Ltd and as Procurement Director at Braemac Pty Ltd, where she was responsible for setting and implementing group-wide procurement strategy, supply chain and supplier relationship management, major commercial negotiations, and the control of procurement cost, quality and delivery risk.

2. Directorships of other listed companies

Directorships of other listed companies held by the directors in the three years immediately before the end of the financial year are as follows:

Director	Company
Zhen Brian He	None
Mathews Senosi	None
Christine He	None
Muhui (Chris) Huang	None
Bill Pavlovski	None
Dr Steele West	None
Lanlan (Lily) Wang	None
Dr. Huoxin (Hevin) Wang	None
Jianheng (Albert) Deng	None
Guo Xin	None
Mei Zhang	None

3. Directors' shareholdings

The following table sets out each director's relevant interest in shares or options in shares or debentures of the Company as at 30 June 2026:

Director	Ordinary shares	Performance rights	Unlisted options
Jianheng (Albert) Deng	-	-	-
Guo Xin	-	-	-
Mei Zhang	-	-	-
Y He	36,930,267	-	-
M Senosi	121,036,501	-	-
Z He	264,845	-	-
Muhui (Chris) Huang	-	-	-
Dr Steele West	-	-	-
Lanlan (Lily) Wang	-	-	-
Dr. Huoxin (Hevin) Wang	-	-	-
	158,231,613	**-**	**-**

4. Remuneration of directors and key management personnel

Information about the remuneration of directors is set out in the remuneration report of this directors' report, on pages 14 to 19.

For personal use only

Directors' Report

5. Share options granted to directors and senior management

No new share options or performance rights were granted to directors or key management personnel during the year ended 30 June 2026. No share options or performance rights were on issue at any time during the year, all previously issued unlisted options having lapsed unexercised on 31 August 2024. The Company did not issue any options or performance rights to the directors appointed during the year, being Mr Jianheng (Albert) Deng, Mr Guo Xin and Ms Mei Zhang.

6. Company secretary

Mr Bill Pavlovski, an experienced ASX professional, is the Company Secretary and works with Vision Corporate Pty Ltd, the company engaged to provide contract secretarial, accounting and administration services to MC Mining. Mr Pavlovski resigned as a non-executive director of the Company with effect from 5 May 2026 and continues to serve the Company as Company Secretary.

7. Principal activities

The Company is a limited company incorporated in Australia. Its common shares are listed on the ASX and the JSE in South Africa. The principal activities of the Company and its subsidiaries are the acquisition, exploration, development and operation of steelmaking (coking) coal and thermal coal projects in South Africa.

With effect from 22 April 2026, Kinetic Development Group Limited (KDG), through its wholly-owned subsidiary Kinetic Crest, holds 51.00% of the Company's ordinary shares on a fully diluted basis. The Company is accordingly a non-wholly owned subsidiary of KDG, a coal producer listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code 1277), which is the Company's ultimate controlling party at 30 June 2026.

The Group's principal assets and projects include:

• Uitkomst Colliery, a metallurgical and thermal coal mine at which mining and processing operations were temporarily suspended (hibernation) with effect from 1 March 2026;

• Makhado steelmaking hard coking coal project (Makhado Project or Makhado), which completed construction and entered hot commissioning of the coal handling and preparation plant during May 2026;

• Vele Aluwani Colliery, a semi-soft coking and thermal coal mine at which operations have been temporarily suspended since December 2023, the colliery having been placed on care and maintenance; and

• Three exploration and development stage coking and thermal coal projects, namely Chapudi, Generaal and Mopane in the Soutpansberg Coalfield (collectively the Greater Soutpansberg Projects (GSP)).

8. Review of operations - salient features

• Health and safety remains the Group's highest priority, with the ongoing goal of achieving zero harm. During FY2026, the Group recorded no fatalities (FY2025: one fatality at the Uitkomst Colliery) and one lost-time injuries (LTIs) for the year (FY2025: five LTIs). Safety performance improvement across the group remained a priority through the ramp-up of construction and mining activities at Makhado.

• Following a detailed review of Uitkomst Colliery's operational and financial performance, and despite the turnaround initiatives implemented during 2025, the colliery continued to experience operational underperformance and sustained cash losses. The board of directors accordingly approved the temporary suspension of mining and processing operations at Uitkomst Colliery (hibernation), with an effective date of 1 March 2026. Run-of-mine (ROM) coal production at the Uitkomst Colliery for the eight months to 28 February 2026 totalled approximately 139,821 tonnes (FY2025: 390,788 tonnes).

• Uitkomst's coal sales for the period to hibernation totalled 96,886 tonnes (FY2025: 269,877 tonnes). Depressed thermal coal (TC) prices persisted throughout the year, averaging around US$96 per tonne in FY2026. While premium steelmaking HCC prices averaged around US$239 per tonne in FY2026.

For personal use only

Directors' Report

8. Review of operations - salient features (continued)

• The hibernation of Uitkomst is a care and maintenance measure and does not constitute a permanent closure of the mine, a relinquishment of the mining right, or a decision to place the operation into liquidation or business rescue. Employee retrenchment and related processes were undertaken in accordance with applicable labour legislation, and activities were implemented to secure and preserve assets and to maintain environmental and social compliance during the hibernation period. During the hibernation the Company is evaluating strategic options aimed at unlocking value and preserving future optionality, including possible engagement with interested third parties regarding partnerships, joint operations or other strategic arrangements in respect of Uitkomst. No decisions have been taken and any transaction would be subject to customary approvals. The Company also continues to review its asset base with a view to disposing of redundant or non-core items where appropriate.

• The Makhado Project remains MC Mining's flagship asset. FY2026 marked the transition of Makhado from development into construction and commissioning. Open pit mining of overburden commenced and ROM delivery to the coal handling and preparation plant (CHPP) having started; construction of the CHPP was completed and hot commissioning and plant start-up commenced during May 2026; the permanent mine access bridge across the Mutamba River was commissioned and placed in service; and the 14km, 22kV Paradise Overhead Line delivering 7.5MVA from the national grid was commissioned. Project delays during the year were largely attributable to inclement weather, including heavy rainfall and flooding at the start of the third quarter, and to delays in commissioning of the Eskom power supply line. Activities at Vele Colliery and the Greater Soutpansberg Projects (GSP) remained minimal, with the focus on maintaining the assets in compliance with regulatory requirements and ensuring they are ready for development when market conditions improve.

9. Corporate salient features

• Strategic Investment by Kinetic Development Group (KDG)

The defining corporate milestone during FY2026 was the completion of the KDG Subscription. KDG made payments of US$47.029 million during the reporting year ended 30 June 2026. On 22 April 2026 the Company completed the Final Second Closing under the Amendment to the Share Subscription Agreement through the issue and allotment to Kinetic Crest of 28,868,277 new fully paid ordinary shares, bringing KDG's cumulative shareholding to 51.00% of the issued ordinary share capital on a fully diluted basis. Accordingly, with effect from 22 April 2026 KDG became the controlling shareholder of MC Mining and the Company became a non-wholly owned subsidiary of KDG. All conditions precedent to the Final Second Closing were satisfied or duly waived, including shareholder approval under the Corporations Act and the ASX Listing Rules and merger clearance from the South African Competition Commission, and the aggregate consideration of US$90 million contemplated under the Share Subscription Agreement was received in full and applied in accordance with the agreed Use of Proceeds Plan. A cleansing notice was issued in respect of the Final Second Closing Shares under section 708A(5) of the Corporations Act.

• Settlement agreement with Industrial Development Corporation of South Africa Limited (IDC)

A settlement agreement was entered into with the IDC on the 27th of March 2025 for the settlement of the loan agreement entered into in March 2017. In FY2026, the Company made further repayments totalling ZAR40 million in terms of the settlement agreement, including ZAR 20 million during the quarter ended 31 March 2026.

• Related party funding arrangements

The Company has unsecured convertible promissory note facilities to an aggregate principal amount of US$9.936 million, consisting of facilities entered into with Kinetic Development Group Limited (US$6.136 million committed) and Eagle Canyon International Group Holding (Hong Kong) Limited (US$3.800 million committed), an entity associated with Ms Yi (Christine) He. Amounts may be drawn in one or more tranches until 30 September 2026, each drawdown being subject to the relevant investor's approval of the specific use of funds, and are repayable 12 months from the date funds are first received to the extent not converted. Interest accrues at the Reserve Bank of Australia (RBA) publicly quoted outstanding business loan rate for medium business plus a margin of 3.00%, compounded monthly in arrears. The notes are unsecured, rank pari passu with the Company's other unsecured indebtedness and are convertible at the relevant investor's election, at US$0.2089 per ordinary share, subject to shareholder and regulatory approvals.

For personal use only

Directors' Report

9. Corporate salient features (continued)

• Board and Governance Changes

Appointments: Mr Jianheng (Albert) Deng was appointed as a Non-Executive Director with effect from 15 October 2025 and, following completion of the KDG Subscription, was appointed Non-Executive Chairman with effect from 19 May 2026, succeeding Mr Mathews Senosi who had served as Interim Chairman. Ms Yi (Christine) He was appointed as Managing Director and Chief Executive Officer on a substantive basis with effect from 1 October 2025. Following completion of the KDG Subscription, KDG exercised its rights under the Share Subscription Agreement to nominate additional directors and Mr Guo Xin and Ms Mei Zhang were appointed as Non-Executive Directors with effect from 5 May 2026.

Resignations: Mr Zhen (Brian) He resigned as a Non-Executive Director with effect from 15 October 2025. Mr Bill Pavlovski resigned as a non-executive director with effect from 5 May 2026 and continues to serve the Company as Company Secretary. Mr Senosi stepped down as Interim Chairman on 19 May 2026 and continues to serve as a Non-Executive Director.

• Capital Structure and Cash Position

The completion of the staged Second Closings during FY2026 increased the Company's issued share capital to 844,925,202 shares, including 28,868,277 Final Second Closing Shares issued on 22 April 2026. Available cash and facilities were US$2.9 million at 30 June 2026 (FY2025: US$7.4 million). The full US$90 million of KDG subscription proceeds has been received and applied in accordance with the Use of Proceeds Plan, principally to fund construction and commissioning of the Makhado Project.

10. Subsequent events

Change in executive leadership

On 29 July 2026 Ms Yi (Christine) He resigned as Managing Director and Chief Executive Officer and continued in office as a Non-Executive Director. The Chairman, Mr Jianheng (Albert) Deng, was appointed Interim Chief Executive Officer and Managing Director from the same date, pending appointment of a substantive Chief Executive Officer, and receives no additional remuneration for the interim role.

Further capital support from Kinetic Development Group Limited

On 13 August 2026 the Company entered into agreements with its controlling shareholder, Kinetic Development Group Limited (KDG), for capital support of up to US$16,000,000: an unsecured bridge loan of US$8,000,000 bearing interest at the Reserve Bank of Australia's outstanding business loan rate for medium business plus 3.00% per annum and repayable three months after drawdown, and a subscription for 76,591,672 ordinary shares for US$16,000,000 in two equal tranches at US$0.2089 per share. The first tranche is settled by set-off against the bridge loan principal; the second is payable in cash and is conditional on the Makhado Project having commenced production.

No other 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. Financial review

• The Company sold all of its coal on the domestic market.
• Net cash raised from financing activities of $48.5 million in FY2026 was applied towards investing activities of $42.4 million and operating activities of $8.9 million, with the balance funded from opening cash resources.
• Contributing to the net loss after tax of $17.79 million (FY2025: $35.98 million) were non-cash charges of $2 million (FY2025: $25.1 million) which include the following:
• Depreciation and amortisation of $1 million (FY2025: $1.4 million)
• Net impairment expense of $nil (FY2025: $24.3 million)
• No impairment was passed on Uitkomst or the GSP in FY2026 (FY2025: $12.3 million and $12.0 million respectively).
• Total unrestricted cash balances at year-end of $2.9 million (FY2025: $7.4 million).

For personal use only

Directors' Report

12. Going concern

The Group incurred a net loss after tax of US$17.79 million for the year ended 30 June 2026 (2025: US$35.984 million) and net cash outflows from operating activities of US$8.899 million (2025: US$11.385 million). At 30 June 2026, the Group had cash and cash equivalents of US$2.904 million (2025: US$7.388 million), current assets of US$4.641 million and current liabilities of US$54.387 million, resulting in a net current liability position of US$49.746 million (2025: US$11.729 million).

These events and conditions, together with the Group's reliance on further funding and the successful commissioning and ramp-up of the Makhado Project, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

During the year, Kinetic Development Group Limited completed its US$90 million subscription and, from 22 April 2026, became the Company's controlling shareholder with a 51.00% interest on a fully diluted basis. Following continued operational underperformance and sustained cash losses, mining and processing at Uitkomst Colliery were temporarily suspended from 1 March 2026 to limit further cash outflows while preserving asset value and future optionality.

The Directors have prepared monthly cash-flow forecasts to 30 June 2028, a period extending beyond twelve months from the expected date of authorisation of these financial statements. The forecasts incorporate Makhado operating cash flows, available and proposed funding, Group operating and project expenditure, remaining Makhado capital expenditure, rehabilitation payments and the progressive settlement of current and historical creditors. The forecasts indicate that the Group will have sufficient liquidity to meet its obligations as they fall due during the assessment period, provided that the principal funding, operational and creditor assumptions are achieved.

The principal assumptions include continued support from KDG and other shareholders; availability and drawdown of the convertible, bridge and proposed equity funding arrangements; successful conclusion and drawdown of the proposed working-capital facility; continued support from critical suppliers and creditors; successful completion of Makhado commissioning and performance testing; achievement of steady-state production, product quality, yields and sales; and completion of critical water, power, environmental, rehabilitation and logistics infrastructure.

The cash-flow forecasts are particularly sensitive to the timing and quantum of external funding, the timing of Makhado cash generation, exchange rate, sales prices, the settlement profile for historical and current creditors, supplier continuity and the remaining Makhado CAPEX programme. Delays or adverse variances in one or more of these assumptions may lead to a material cash shortfall.

The Directors have considered reasonably possible downside scenarios, including delays in funding, a slower Makhado ramp-up, lower or delayed sales receipts, supplier withdrawal, creditor enforcement and unplanned expenditure. Management's available responses include deferring non-critical capital expenditure, reducing operating and corporate costs, prioritising critical supplier payments and pursuing alternative shareholder, debt and sales-linked funding. The effectiveness of certain responses nevertheless depends on third-party approvals and continuing supplier support. Major Shareholders have shown their commitment to the Group through continued funding and commitments to support.

Based on the above, the Directors consider that there are reasonable grounds to believe that the Group will be able to obtain the required funding and meet its obligations as and when they fall due, and therefore that the going concern basis of preparation remains appropriate. However, the material uncertainty described above remains and will only be substantially reduced once funding is secured and drawable, the creditor position is stabilised and Makhado has achieved stable positive cash generation.

These consolidated financial statements do not include adjustments to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities, that might be necessary should the Group be unable to continue as a going concern. Such adjustments could be material.

For personal use only

Directors' Report

13. Current developments

Makhado Project

FY2026 marked the transition of Makhado from construction into commissioning. During FY2026, construction of the CHPP was completed and cold commissioning progressed, with hot commissioning and plant start-up commencing during May 2026; the mining of overburden from the open cast pit progressed with over 1.3 million bench cubic metres mined and ROM stockpiles built ahead of CHPP commissioning; the permanent mine access bridge across the Mutamba River was commissioned and placed in service; and the 14km, 22kV Paradise Overhead Line, delivering 7.5MVA of power from the national grid via the Paradise Power Station, was commissioned. The Makhado Colliery will be South Africa's largest hard coking coal producer, designed to produce 770,000 tonnes a year of HCC 64 Mid Vol once steady-state operation of the foundation phase is reached, with a further capacity expansion programme targeting total production of 605,000 tonnes per annum of hard coking coal and 800,000 tonnes per annum of thermal coal under design and testing.

Project tracking

Progress towards coal production continued in FY2026. Project delays during the year were largely attributable to inclement weather, including heavy rainfall and flooding at the start of the third quarter which severely damaged and led to the withdrawal from use of the temporary bridge, and to delays in commissioning of the Eskom power supply line. Environmental and Process Technologies (Enprotec), the lead contractor building the Coal Plant, peaked at 450 persons on site across 16 sub-contractors, with 140 of those employees recruited from the host communities. JCI Mining (Pty) Ltd, the principal mining contractor, had 249 people on site with a fleet of 8 backhoe-configured excavators supported by 33 articulated dump trucks. The workforce on site peaked at 977 people during the quarter ended 31 March 2026, with the host community well represented in the labour complement and support services. The mine continued to be built with zero reportable environmental incidents and the Department of Mineral and Petroleum Resources (DMPR) undertook a comprehensive multi-discipline onsite health and safety, environmental, social and labour planning and regulatory compliance audit of the Makhado Project during the year.

The salient features of the Makhado Project are:

- Targeted mining rate of 3.3Mtpa of ROM coal;
- Approximately 31 year LOM;
- Total saleable coal products of 34 million tonnes over the mine life;
- Hot commissioning of the Coal Plant commenced in May 2026; and
- Estimated project CAPEX US$83.5 million (ZAR1.5 billion).

The key Makhado Project production metrics over the LOM are detailed in the table below.

Production Metrics	Unit of Measure	LOM Plan
Mining Production Rate - (Average)	Mtpa	3,3
Total ROM Mined (over the mine life)	Mt	88
Total Waste Mined (over the mine life)	BCM (million)	222
Stripping Ratio (Waste: ROM)	BCM: tonnes	2,5
Steelmaking HCC yield	%	21,2
Thermal coal yield	%	17,6
Total Coal Sales - all products	Mt	34,1
Coal Sales 5,500 kcal thermal coal - Export	Mt	15,5
Coal Sales - Steelmaking HCC (Domestic & Export)	Mt	18,6

For personal use only

Directors' Report

13. Current developments (continued)

The Makhado Project economics are detailed in the table below:

Parameter		Unit of measure	LOM plan
Estimated first saleable coal		Date	October 2026
Benchmark Prices (real, long term)	Premium HCC price	US$/t	257
	API4 (6,000 kcal) thermal coal price	US$/t	111
Realised Prices (real)	64 Mid Vol HCC (export)	US$/t	218
	Thermal coal 5,500 kcal	US$/t	91
Fully-allocated unit costs (C3)		US$/saleable t	59
Construction Capital		ZAR 'Bn	1,5

Vele Aluwani Colliery

The Vele Coal Resource comprises both steelmaking semi-soft coking coal (SSCC) and export quality thermal coal. However, the Vele's CHPP does not have the requisite fines circuits that would allow for the simultaneous production of SSCC and thermal coal. Operations at Vele Colliery remain suspended, with no production of saleable coal during the reporting period. The colliery continues to be maintained in a state of readiness for future development, as noted in operational reviews.

Comprehensive evaluations of geological and mine planning information relating to Vele were ongoing at year-end, pending the conclusion of a re-engineered business plan, and work continues on investigating a commercially viable logistics solution for the coal products to come from the colliery.

Uitkomst Colliery hibernation

The board of directors approved the temporary suspension of mining and processing operations at MC Mining's subsidiary, Uitkomst Colliery, with an effective date of 1 March 2026, following continued operational underperformance and sustained cash losses despite the turnaround initiatives implemented during 2025. The suspension is a care and maintenance measure and does not represent a permanent closure of the mine, a relinquishment of the mining right, or a decision to place the operation into liquidation or business rescue. The hibernation is being implemented in a structured, compliant, safe and socially responsible manner, with employee retrenchment and related processes undertaken in accordance with applicable labour legislation, activities implemented to secure and preserve assets and maintain environmental and social compliance, and a controlled and prioritised creditor payment process adopted to mitigate legal, insolvency and reputational risks. During the hibernation the Company is evaluating strategic options aimed at unlocking value and preserving future optionality.

Greater Soutpansberg Projects

The GSP remains a long-term development area with over 7.0 billion gross tonnes in situ of inferred HCC, semi-soft coking coal (SSCC), and thermal coal resources. The GSP are a group of mineral tenements, held as Mining Rights and satellite to the Makhado Project. Work commenced during the year on assessing and prioritising the various tenements as part of developing the future pipeline of steelmaking HCC prospects to supplement Makhado Colliery production, and negotiations were progressed in respect of securing surface land access for prioritised deposits.

14. Environmental regulations

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation and there has consequently been no breach. The Group is subject to numerous environmental regulations in South Africa, including:

- National Environmental Management Act, 1998 (No. 107 of 1998): Amendment to the Environmental Impact Assessment Regulations 2014;
- Mineral and Petroleum Resources Act, 2002 (No. 28 of 2002)
- National Water Act, 1998 (No.36 of 1998);
- National Heritage Resources Act, 1999 (Act 25 of 1999); and
- National Environmental Management Air Quality Act, 2004 (No. 39 of 2004).

For personal use only

Directors' Report

14. Environmental regulations (continued)

Quarterly meetings are held at the Company's most sensitive site as it is near a heritage site, the Vele Colliery, through the Environmental Management Committee (EMC), an independently chaired body to provide oversight and monitor compliance at the Colliery. The membership of the EMC comprises various regulatory authorities and affected stakeholders.

The Board believes that there are adequate systems in place for the management of its environmental impacts but from time to time statutory non-compliances may occur. The Board takes these seriously and continues to monitor compliance.

15. Corporate Governance

The Group recognises the need for the highest standards of corporate behaviour and accountability. The Directors have accordingly followed, where possible, the recommendations set by the ASX Corporate Governance Council. For further information on corporate governance policies adopted by MC Mining, refer to the Company's website.

16. Dividends

No dividend has been paid or proposed for the financial year ended 30 June 2026 (FY2025: nil).

17. Indemnification of officers and auditors

During the financial year, the Company paid a premium of $0.14 million (FY2025: $0.3 million) in respect of a contract insuring the directors of the Company, the Company Secretary, and all executive officers of the Company and of any related body corporate against a liability incurred by such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001.

To the extent permitted by law, the Company has agreed to indemnify its auditors, as part of the terms of its audit engagement agreement, against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify the auditor during or since the financial year.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred by such an officer or auditor.

18. Proceedings on behalf of the Company

No persons applied for leave to bring or intervene in proceedings on behalf of the Company during or since the end of the financial year.

19. Non-audit services

No non-audit services were provided during the current financial year. Details of amounts paid or payable to the auditor are outlined in note 24 to the consolidated financial statements.

20. Auditor

During the financial year, Forvis Mazars Assurance Pty Ltd resigned as auditor of the Company following receipt of consent from the Australian Securities and Investments Commission (ASIC). Forvis Mazars Audit & Assurance Pty Ltd was subsequently appointed as auditor of the Company in accordance with the Corporations Act 2001. The change of auditor was effective from 28 February 2026.

The auditor's independence declaration is included on page 26 of these consolidated financial statements.

For personal use only

21. Directors' meetings

The following table sets out the number of Directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, three board meetings were held, together with two Audit and Risk Committee meetings, one Nomination and Remuneration Committee meeting, two Safety, Health and Environment Technical Committee meetings and one Social and Ethics Committee meeting.

	Board Meetings		Audit and Risk Committee Meetings		Nomination and Remuneration Committee Meetings		Safety, Health and Environment Technical Committee Meetings		Social & Ethics Committee Meetings	
Director	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Z He[1]	1	1	-	-	-	-	-	-	-	-
Y He	3	3	2	1	1	1	2	1	1	1
M Senosi	3	3	-	-	-	-	2	2	1	1
Muhui (Chris) Huang	3	3	2	2	1	1	2	2	1	1
Bill Pavlovski[2]	3	3	2	2	1	1	2	2	1	1
Dr Steele West	3	3	-	-	1	1	2	2	1	1
Lanlan (Lily) Wang	3	1	2	2	1	-	2	1	-	-
Dr. Huoxin (Hevin) Wang	3	2	2	2	1	1	-	-	-	-
Jianheng (Albert) Deng[3]	2	2	-	-	-	-	2	1	-	-
Guo Xin[4]	-	-	-	-	-	-	-	-	-	-
Mei Zhang[4]	-	-	-	-	-	-	-	-	-	-

[1] Resigned: 15 October 2025
[2] Resigned: 5 May 2026
[3] Appointed: 15 October 2025
[4] Appointed: 5 May 2026

For personal use only

Directors' Report

22. Remuneration report (audited)

This remuneration report, which forms part of the Directors report, sets out information about the remuneration of MC Mining's Directors and its senior management for the financial year ended 30 June 2026. The prescribed details for each person covered by this report are detailed below under the following headings:

- Director and key management personnel details;
- Remuneration policy;
- Performance-based remuneration;
- Hedging of Management Remuneration
- Relationship between the remuneration policy and company performance;
- Remuneration of Directors and senior management;
- Share-based payments granted as compensation;
- Loans from Key Management Personnel;
- Other transactions; and
- Directors and key management personnel equity holdings.

The Board is responsible for establishing remuneration packages applicable to the Board members of the Company. The policy adopted by the Board is to ensure that remuneration properly reflects an individual's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest calibre.

Directors' remuneration packages are also assessed in the light of the condition of markets within which the Company operates, the Company's financial condition and the individual's contribution to the achievement of corporate objectives. Executive Directors are remunerated by way of a salary commensurate with their required level of service.

Total remuneration for all Non-Executive Directors, excluding share-based payments, as approved by shareholders, at the December 2010 General Meeting, is not to exceed AUD1,000,000 per annum.

The Board has a Nomination and Remuneration Committee which was made up as follows: Hevin Wang, Christine He and Steele West at 30 June 2026 following the board changes on 15 October 2025, 5 May 2026 and 19 May 2026. The Company does not have any scheme relating to retirement benefits for Non-Executive Directors.

23. Director and key management personnel details

The following persons acted as directors of the Company during or since the end of the financial year:

• Zhen (Brian) He	Non-Executive Director - resigned 15 October 2025
• Ontiretse Mathews Senosi	Non-Executive Director (Interim Chairman until 19 May 2026)
• Yi (Christine) He	Managing Director and Chief Executive Officer (Non-Executive Director from 29 July 2026)
• Muhui (Chris) Huang	Non-Executive Director
• Bill Pavlovski	Independent Non-Executive Director - resigned 5 May 2026 (continues as Company Secretary)
• Dr Steele West	Independent Non-Executive Director
• Lanlan (Lily) Wang	Non-Executive Director
• Dr. Huoxin (Hevin) Wang	Non-Executive Director
• Jianheng (Albert) Deng	Non-Executive Chairman, Interim Managing Director and Chief Executive Officer
• Guo Xin	Non-Executive Director
• Mei Zhang	Non-Executive Director

The following persons acted as key management personnel of the Company during or since the end of the financial year:

• W Shamu	General Manager – resigned 16 March 2026
• D de Kock	Finance Executive
• A Stelten	Chief Operating Officer

For personal use only

Directors' Report

23. Director and key management personnel details (continued)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The Executive Director, W Shamu as General Manager, A Stelten as Chief Operating Officer and D de Kock as Finance Executive satisfied the definition of 'key management personnel' during the financial years and are separately disclosed in the remuneration report.

24. Remuneration policy

The remuneration policy of MC Mining has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component. The Board of MC Mining believes the remuneration policy to be appropriate and effective in its ability to attract and retain management personnel to run and manage the Group, as well as create goal congruence between Directors, management and shareholders.

The Board's policy for determining the nature and amount of remuneration for management personnel of the Group is as follows:

• The remuneration structure is developed by the Nomination and Remuneration Committee and approved by the Board after professional advice is periodically sought from independent external consultants.

• Management personnel receive a base salary (based on factors such as length of service and experience).

• Incentives paid in the form of cash are intended to align the interests of the Directors, management and the Company with those of the shareholders.

The Nomination and Remuneration Committee reviews senior management personnel packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

The performance of senior management personnel is measured against criteria agreed annually with each executive. The Board may, however, exercise its discretion in relation to approving incentives, bonuses, options or performance rights, and can recommend changes to the Nomination and Remuneration Committee's recommendations. Any changes must be justified.

All remuneration paid to management personnel is valued at the cost to the Company and expensed.

The Board's policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Board amended the policy with regards to remuneration of shareholder nominee Non-Executive Directors. The Nomination and Remuneration Committee determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability.

To assist Directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chairman for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.

25. Performance-based remuneration

The key performance indicators (KPIs) are set annually, which includes consultation with management personnel to ensure buy-in. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential to position the Group for future expansion and profit, covering financial and non-financial as well as short and long-term goals. Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved.

26. Hedging of Management Remuneration

No member of executive management entered into an arrangement during or since the end of the financial year to limit the risk relating to any element of that person's remuneration.

For personal use only

Directors' Report

27. Relationship between remuneration policy and Company performance

The tables below set out summary information about the Group's earnings and movements in shareholder wealth for the five years to June 2026.

	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'000	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000	Year ended 30 June 2022 $'000
Revenue	7,447	17,452	36,665	44,799	23,511
Net loss before tax	17,789	38,253***	15,066**	4,008	20,719*
Net loss after tax	17,789	35,984	14,648	4,398	20,835
Share price at start of year	A$0.09	A$0.14	A$0.13	A$0.10	A$0.10
Share price at end of year	A$0.27	A$0.09	A$0.14	A$0.13	A$0.10
Basic and diluted loss per share ($ cents) from continuing operations	2.35	7.06	3.54	1.46	11.41

*includes net impairment expense of $14.9 million
**includes net impairment expense of $0.9 million
***includes net impairment expense of $24.3 million

28. Remuneration of directors and key management personnel

Details of the nature and amount of each major element of the remuneration of each director are:

	Short term employee benefits			Share-based payments	Termination benefits	Total	Share based % of Total
2026	Salary and fees	Bonus		Performance rights			
	$	$	$	$	$	$	%
Non-Executive Directors							
Zhen (Brian) He	-	-		-	-	-	-
Ontiretse Mathews Senosi	-	-		-	-	-	-
Muhui (Chris) Huang	-	-		-	-	-	-
Bill Pavlovski	31,073	-		-	-	31,073	-
Dr Steele West	37,211	-		-	-	37,211	-
Lanlan (Lily) Wang	-	-		-	-	-	-
Dr. Huoxin (Hevin) Wang	-	-		-	-	-	-
Jianheng (Albert) Deng	-	-		-	-	-	-
Guo Xin	-	-		-	-	-	-
Mei Zhang	-	-		-	-	-	-
Executive Directors							
Yi (Christine) He	207,200	-		-	-	207,200	-
	275,484	-		-	-	**275,484**	**-**
Key management personnel							
A Stelten	103,647	-		-	-	103,647	-
W Shamu*	133,200	-		-	-	133,200	-
D de Kock	177,600	-		-	-	177,600	-
	414,447	-		-	-	**414,447**	**-**
	689,931	-		-	-	**689,931**	**-**

*Resigned on 16 March 2026.

For personal use only

28. Remuneration of directors and key management personnel (continued)

Details of the nature and amount of each major element of the remuneration of each director are:

	Short term employee benefits			Share-based payments	Termination benefits	Total	Share based % of Total
2025	Salary and fees	Bonus		Performance rights			
	$	$	$	$	$	$	%
Non-Executive Directors							
Zhen (Brian) He	37,498	-		-	-	37,498	-
An Chee Sin	35,513	-		-	-	35,513	-
Ontiretse Mathews Senosi	66,966	-		-	-	66,966	-
Muhui (Chris) Huang	29,986	-		-	-	29,986	-
Bill Pavlovski	32,895	-		-	-	32,895	-
Dr Steele West	35,738	-		-	-	35,738	-
Douglas Abrahams	9,408	-		-	-	9,408	-
Lanlan (Lily) Wang	-	-		-	-	-	-
Dr. Huoxin (Hevin) Wang	-	-		-	-	-	-
Executive Directors							
Yi (Christine) He	192,648	-		-	-	192,648	-
G Gomwe	-	-		-	247,435	247,435	-
	440,652	-		-	**247,435**	**688,087**	**-**
Key management personnel							
FM Duval[1]	17,944	-		-	142,648	160,592	-
SR Rowse[1]	17,118	-		-	127,548	144,666	-
W Shamu[2]	165,127	-		-	-	165,127	-
D de Kock[3]	72,381	-		-	-	72,381	-
	272,570	-		-	**270,196**	**542,766**	**-**
	713,222	-		-	**517,631**	**1,230,853**	**-**

[1] Resigned as key management personnel on 31 July 2024.
[2] Appointed as key management personnel on 1 July 2024.
[3] Appointed as key management personnel on 9 December 2024.

For personal use only

Directors' Report

29. Share-based payments granted as compensation

No share-based payment compensation was granted to directors and key management personnel during the current or prior financial year.

30. Loans from Key Management Personnel

No loans were provided to or received from Key Management Personnel during the years ended 30 June 2026 and 30 June 2025.

31. Other Transactions

No other transactions were entered into with any member of Key Management Personnel other than those detailed in this Remuneration Report.

32. Director and key management personnel equity holdings

Option holdings

Nil (2025: nil) share options exist as at 30 June 2026. No share options or performance rights were held by, granted to, exercised by or expired in respect of directors or key management personnel during the financial year.

No share options were granted or exercised by non-executive directors for 2026 and 2025.

The movement during the reporting period in the number of ordinary shares held, directly, indirectly or beneficially by each director including their personally-related entities, is as follows:

	Held at 1 July 2025	Granted as remuneration	On exercise of options	Other changes	Held at 30 June 2026
Non-Executive Directors					
Z He	264,845	-	-	-	264,845
M Senosi	95,357,455	-	-	25,679,046	121,036,501
Executive Director					
Y He	36,930,267	-	-	-	36,930,267
	132,552,567	**-**	**-**	**25,679,046**	**158,231,613**

This marks the end of the remuneration report.

This directors' report is signed in accordance with a resolution of directors made pursuant to s298(2) of the Corporations Act 2001.

Jianheng Albert Deng

Jianheng (Albert) Deng
Chairman, Interim Managing Director and Chief Executive Officer
30 September 2026

For personal use only

Consolidated Entity Disclosure Statement

Basis of Preparation

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes required information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 - Consolidated Financial Statements.

Determination of Tax Residency

Section 295(3A) of the Corporation Act 2001 requires that the tax residency of each entity which is included in the CEDS be disclosed. In the context of each entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involved judgement as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency - The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.
- Foreign tax residency - The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency.

Subsidiary name	Principal activity	Trustee of a Trust or partner in a partnership or participant in a joint venture	Country of Incorporation	Percentage owned	Tax residency
Tshikunda Mining Proprietary Limited	Company	No	South Africa	100	South Africa
Bakstaan Boerdery Proprietary Limited	Company	No	South Africa	100	South Africa
Baobab Mining & Exploration Proprietary Limited	Company	No	South Africa	93	South Africa
Chapudi Coal Proprietary Limited	Company	No	South Africa	100	South Africa
Coal of Africa & ArcelorMittal Analytical Laboratories Proprietary Limited (Joint operation (50%) - Refer note 40.)	Company	No	South Africa	50	South Africa
Cove Mining NL	Company	No	Australia	100	Australia
Fumaria Property Holdings Proprietary Limited	Company	No	South Africa	100	South Africa
Golden Valley Services Proprietary Limited	Company	No	Australia	100	Australia
GVM Metals Administration (South Africa) Proprietary Limited	Company	No	South Africa	100	South Africa
Harrisia Investments Holdings Proprietary Limited	Company	No	South Africa	100	South Africa
Kwezi Mining Exploration Proprietary Limited	Company	No	South Africa	100	South Africa
Limpopo Coal Company Proprietary Limited	Company	No	South Africa	100	South Africa
Makhado Centre of Learning NPC	Company	No	South Africa	100	South Africa
MbeuYashu Proprietary Limited	Company	No	South Africa	100	South Africa
Nyambose Mining Proprietary Limited	Company	No	South Africa	100	South Africa
Pan African Resources Coal Holdings Proprietary Limited	Company	No	South Africa	100	South Africa
Regulus Investment Holdings Proprietary Limited	Company	No	South Africa	100	South Africa
Silkwood Trading 14 Proprietary Limited	Company	No	South Africa	100	South Africa
Uitkomst Colliery Proprietary Limited	Company	No	South Africa	100	South Africa
MC Mining South Africa Proprietary Limited	Company	No	South Africa	100	South Africa

personal use only

Interim Managing Director and Chief Executive Officer Certification Sign-off

Statement to the Board of Directors of MC Mining Limited (the Company)

The Interim Managing Director and Chief Executive Officer of the Company states that, to the best of his knowledge and belief:

(a) with regard to the integrity of the financial statements of the Company for the year ended 30 June 2026, that having made appropriate enquiries, in his opinion:

(i) the financial records of the Company and of the entities whose financial statements are required to be included in its consolidated financial statements (the Consolidated Entity) for the year ended 30 June 2026 have been properly maintained in accordance with section 286 of the Corporations Act 2001;

(ii) the financial statements and notes thereto of the Company and the Consolidated Entity for the year ended 30 June 2026 comply with the accounting standards in accordance with section 296 of the Corporations Act 2001, and give a true and fair view, in all material respects, of the financial position and performance of the Company and the Consolidated Entity in accordance with section 297 of the Corporations Act 2001; and

(iii) the consolidated entity disclosure statement is true and correct;

(b) with regard to the risk management and internal compliance and control systems of the Company and the Consolidated Entity in operation for the year ended 30 June 2026, that having made appropriate enquiries, within the context described in (c) and (d) below, to the best of his knowledge and belief:

(i) the statements made in (a) above regarding the integrity of the financial statements are founded on a sound system of risk management and internal compliance and control which, in all material respects, implements the policies adopted by the Board of Directors either directly or through delegation to senior executives;

(ii) the risk management and internal compliance and control systems, to the extent they relate to financial reporting, are operating effectively in all material respects; and

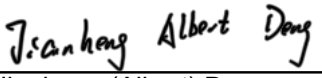
(iii) nothing has come to his attention since 30 June 2026 that would indicate any material change to the statements made in (b)(i) and (b)(ii) above;

(c) the statements made in (b) above regarding the risk management and internal compliance and control systems are made within the following context:

(i) these statements provide a reasonable, but not absolute, level of assurance and do not imply a guarantee against adverse events or more volatile outcomes arising in the future; and

(ii) the design and operation of the risk management and internal compliance and control systems relating to financial reporting have been assessed primarily through the use of declarations by process owners who are responsible for those systems; and

(d) the risk management and internal compliance and control systems of the Company and the Consolidated Entity were reviewed, with no material deficiencies detected, subject to the limitations associated with the available management and accounting resources as known to the Board. Review and development of those systems will continue going forward, with the aim of ensuring that the systems operate effectively, in all material respects, based on management's assessment of the required standard of an effective control environment.



Jianheng (Albert) Deng
Interim Managing Director and Chief Executive Officer
30 September 2026

For personal use only

Directors' declaration

The directors declare that:

a) 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;

b) in the directors' opinion, the attached consolidated financial statements are in compliance with IFRS® Accounting Standards, as stated in Note 1.1 to the consolidated financial statements;

c) in the directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Consolidated Entity;

d) the directors have been given the declarations required by s.295A of the Corporations Act 2001; and

e) the consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

Jianheng Albert Deng

Jianheng (Albert) Deng
Chairman, Interim Managing Director and Chief Executive Officer
30 September 2026

For personal use only

For personal use only

forvis mazars

5/600 Bourke Street
Melbourne Vic 3000
Australia

Tel +61 3 9252 0800
forvismazars.com/au

Independent auditor's report to the members of MC Mining Limited and its controlled entities

Report on the audit of the consolidated financial report

Opinion

We have audited the consolidated financial report of MC Mining Limited (the "Company") and the entities it controlled (collectively the "Group") which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2026 and of its consolidated financial performance for the year ended on that date; and

b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 of the consolidated financial report, which indicates that the Group incurred a net loss of US$18.02 million. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other matter

The consolidated financial report of MC Mining Limited, for the year ended 30 June 2025, was audited by another auditor who expressed an unmodified opinion on the consolidated financial report.

For personal use only

`

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial report for the current year. These matters were addressed in the context of our audit of the consolidated financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors responsibilities for the audit of the consolidated financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial report.

Key audit matter	How the matter was addressed in our audit
Valuation of non-current assets (notes 2, 3, 5, 6, 7, and 25) At 30 June 2026, the Group's consolidated statement of financial position included US$196.26 million in non-current assets, comprising primarily of property, plant and equipment, development assets, and exploration and evaluation assets. At the end of each reporting period, the Group exercises judgement in determining whether there is any indication of impairment of its cash-generating units (CGUs) as disclosed in notes 2 and 3 to the consolidated financial statements. If any such indicators exist, the Group estimates the recoverable amount of the non-current assets in the relevant CGU. During the current year, the Group has not recorded an impairment expense on these assets. The nature of impairment assessments involves the use of estimates and judgements and the uncertainty associated with these estimates and judgements means that there is a significant chance of a material adjustment to the reported value of the related items in the next financial year and therefore the related items may be realised at amounts that differ from the estimates recorded at 30 June 2026. As a result, we considered the impairment testing and the related disclosures to be a key audit matter.	Our procedures included, but were not limited to: a) Assessing whether the Group's determination of CGUs was in accordance with Australian Accounting Standards. b) Considered the Group's process for identifying and considering external and internal information which may be an indicator of impairment and evaluated the completeness of the factors identified. c) Compared the Group's market capitalisation relative to its net assets. d) Performing analytical procedures and obtaining explanations from management. e) For each of the CGUs identified: 1. Assessed whether the valuation methodology applied by the Group to measure the recoverable amount of the CGU met the requirements of Australian Accounting Standards. 2. Tested the mathematical accuracy of the impairment model. 3. Involved our valuation experts to assess the key cashflow forecast assumptions such as commodity price, discount rates, and foreign exchange rates with reference to external observable market data. 4. Compared future production forecasts in the impairment models to published reserves and resources estimates, and understood the Group's reserve estimation processes, including assessing the qualifications, competence, and objectivity of the Group's internal experts and the scope and appropriateness of their work. 5. Assessed the operating and capital expenditure included in the impairment model with reference to approved budgets and forecasts and results of the current and previous periods. 6. Performed sensitivity analysis to evaluate the effect on the CGU's recoverable amount of reasonably possible changes in key forecast assumptions. 7. Recalculated the carrying amounts of each CGU and compared the carrying amount to the recoverable amount to determine whether any impairment expense was required. 8. Assessed the adequacy of the disclosures in the consolidated financial report.

For personal use only

`

Information other than the annual report and the auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2026, but does not include the consolidated financial report and our auditor's report thereon.

Our opinion on the consolidated financial report does not cover the other information and we do not and we will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the consolidated financial report, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial report

The directors of the Company are responsible for the preparation of:

- The consolidated financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with the Australian Accounting Standard and the *Corporations Act 2001*; and
- The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- The consolidated financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- The consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud and error.

In preparing the consolidated financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial report

Our objectives are to obtain reasonable assurance about whether the consolidated financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this consolidated financial report.

`

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit.
A further description of our responsibilities for the audit of the consolidated financial report is located at the Auditing and Assurance Standards Board website at: AUASB Auditors Responsibilities . This description forms part of our auditor's report.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 19 of the Directors' Report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of MC Mining Limited for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Forvis Mazars

Forvis Mazars Audit & Assurance Pty Ltd



Graeme Hedding

Director
Melbourne
30 September 2026

For personal use only

For personal use only

5/600 Bourke Street
Melbourne Vic 3000
Australia

Tel +61 3 9252 0800
forvismazars.com/au

Auditor's independence declaration under Section 307c of the Corporations Act 2001 to the directors of MC Mining Limited

As lead auditor for the audit of the consolidated financial statements of MC Mining Limited for the financial year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit;

ii. No contraventions of any applicable code of professional conduct in relation to the audit; and

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

This declaration is in respect of MC Mining Limited and the entities it controlled during the financial year.

Forvis Mazars

Forvis Mazars Audit & Assurance Pty Ltd



Graeme Hedding
Director
Melbourne
30 September 2026

Consolidated Statement of Financial Position

Figures in US$ `000	Notes	Group 2026	Group 2025
Assets			
Non-current assets			
Property, plant and equipment	5	137,706	47,464
Right-of-use assets	18	858	1,326
Development assets	6	29,546	27,310
Exploration and evaluation assets	7	24,488	22,901
Intangible assets	8	466	466
Other financial assets	12	3,449	4,309
Restricted cash	13	26	24
Total non-current assets		**196,539**	**103,800**
Current assets			
Inventories	9	105	826
Trade and other receivables	10	1,594	2,600
Other financial assets	12	38	333
Cash and cash equivalents	13	2,904	7,388
Total current assets		**4,641**	**11,147**
Total assets		**201,180**	**114,947**
Equity and liabilities			
Equity			
Issued capital	14	1,158,605	1,107,698
Share application money received	14	-	5,000
Accumulated loss		(997,109)	(979,845)
Reserves	15	(40,779)	(48,106)
Total equity attributable to owners of the parent		**120,717**	**84,747**
Non-controlling interests		(2,064)	(1,539)
Total equity		**118,653**	**83,208**
Liabilities			
Non-current liabilities			
Provisions	16	26,322	6,739
Deferred tax liabilities	11	1,166	1,110
Lease liabilities	18	645	988
Borrowings	19	8	26
Total non-current liabilities		**28,141**	**8,863**
Current liabilities			
Provisions	16	147	434
Trade and other payables	17	14,165	9,104
Current tax liabilities		284	264
Lease liabilities	18	326	662
Borrowings	19	38,627	11,307
Bank overdraft	13	837	1,105
Total current liabilities		**54,386**	**22,876**
Total liabilities		**82,527**	**31,739**
Total equity and liabilities		**201,180**	**114,947**

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

For personal use only

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Figures in US$ `000	Notes	Group 2026	Group 2025
Revenue	20	7,447	17,452
Cost of sales	21	(15,575)	(24,083)
Gross loss		**(8,128)**	**(6,631)**
Other operating income	22	269	126
Reversal of credit losses	23	1	343
Administrative expenses	24	(9,799)	(6,906)
Impairment expense	25	-	(24,328)
Other gains and losses	26	175	10
Loss from operating activities		**(17,482)**	**(37,386)**
Finance income	27	548	715
Finance costs	28	(855)	(1,582)
Loss before tax		**(17,789)**	**(38,253)**
Income tax credit	29	-	2,269
Loss for the year		**(17,789)**	**(35,984)**
Loss for the year attributable to:			
Owners of Parent		(17,264)	(35,681)
Non-controlling interest		(525)	(303)
		(17,789)	**(35,984)**
Other comprehensive income net of tax			
Components of other comprehensive income that may be reclassified to profit or loss			
Profit on exchange differences on translation		6,824	2,214
Total Exchange differences on translation		**6,824**	**2,214**
Total comprehensive loss for the year		**(10,965)**	**(33,770)**
Comprehensive income attributable to:			
Comprehensive income, attributable to owners of parent		(10,440)	(33,467)
Comprehensive income, attributable to non-controlling interests		(525)	(303)
Total comprehensive income for the year		**(10,965)**	**(33,770)**
Earnings per share attributable to owners of the parent during the year			
Basic earnings per share			
Basic loss per share	31	(2.37)	(7.06)
Total basic loss per share (cents)		**(2.37)**	**(7.06)**
Diluted earnings per share			
Diluted loss per share	31	(2.37)	(7.06)
Total diluted loss per share (cents)		**(2.37)**	**(7.06)**

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

For personal use only

Consolidated Statement of Changes in Equity

Figures in US$ `000	Issued capital	Share application money received	Capital profit reserve	Foreign currency translation reserve	Conversion reserve	Share based payment reserve	Accumulated loss	Attributable to owners of the parent	Non-controlling interests	Total
Balance at 1 July 2024	1,071,127	-	91	(51,295)	-	1,715	(944,995)	76,643	(1,236)	75,407
Changes in equity										
Loss for the year	-	-	-	-	-	-	(35,681)	(35,681)	(303)	(35,984)
Other comprehensive income	-	-	-	2,214	-	-	-	2,214	-	2,214
Total comprehensive income for the year	-	-	-	2,214	-	-	(35,681)	(33,467)	(303)	(33,770)
Issue of equity	37,883	-	-	-	-	-	-	37,883	-	37,883
Share issue costs	(1,312)	-	-		-	-	-	(1,312)	-	(1,312)
Performance rights expired[1]	-	-	-	-	-	(831)	831	-	-	-
Share application money received[2]	-	5,000	-	-	-	-	-	5,000	-	5,000
Balance at 30 June 2025	**1,107,698**	**5,000**	**91**	**(49,081)**	**-**	**884**	**(979,845)**	**84,747**	**(1,539)**	**83,208**
Balance at 1 July 2025	1,107,698	5,000	91	(49,081)	-	884	(979,845)	84,747	(1,539)	83,208
Changes in equity										
Loss for the year	-	-	-	-	-	-	(17,264)	(17,264)	(525)	(17,789)
Other comprehensive income	-	-	-	6,824	-	-	-	6,824	-	6,824
Total comprehensive income for the year	-	-	-	6,824	-	-	(17,264)	(10,440)	(525)	(10,965)
Issue of equity	47,029	-	-	-	-	-	-	47,029	-	47,029
Equity component of compounded financial instrument	-	-	-	-	503	-	-	503	-	503
Share issue costs	(1,122)	-	-	-	-	-	-	(1,122)	-	(1,122)
Shares registered	5,000	(5,000)	-	-	-	-	-	-	-	-
Balance at 30 June 2026	**1,158,605**	**-**	**91**	**(42,257)**	**503**	**884**	**(997,109)**	**120,717**	**(2,064)**	**118,653**
Notes	**14**	**14**	**15**	**15**	**15**	**15**				

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

[1] Relates to the 8,000,000 unlisted options that lapsed unexercised on 31 August 2024. The related share-based payment reserve was transferred to accumulated loss.

[2] Represents US$5.0 million received during the year ended 30 June 2025 for 23,939,547 shares that had not yet been issued at 30 June 2025. The shares were issued and registered during the year ended 30 June 2026.

For personal use only

Consolidated Statement of Cash Flows

Figures in US$ `000	Notes	Group 2026	Group 2025
Cash flows from operating activities			
Receipts from customers		6,441	18,706
Payments to suppliers and employees		(15,619)	(30,342)
Net cash flows used in operations	37	**(9,178)**	**(11,636)**
Interest paid		(62)	(239)
Interest received		341	490
Net cash used in operating activities		**(8,899)**	**(11,385)**
Cash flows used in investing activities			
Purchase of property, plant and equipment	5	(43,991)	(17,892)
Investment in development assets	6	(76)	(22)
Investment in exploration assets	7	(108)	(6)
Proceeds from the disposal of other financial assets	12	4,845	5,479
Purchase of other financial assets	12	(3,082)	(3,046)
Cash flows used in investing activities		**(42,412)**	**(15,487)**
Cash flows from financing activities			
Proceeds from issuing shares		47,029	37,883
Share issue costs		(1,122)	(1,312)
Share application money received	14	-	5,000
Proceeds from borrowings	19	-	2,527
Proceeds from issue of convertible promissory notes	19	5,736	-
Repayments of borrowings	19	(2,466)	(9,553)
Repayments of leases	18	(685)	(764)
Cash flows from financing activities		**48,492**	**33,781**
Net (decrease) / increase in cash and cash equivalents before effect of exchange rate changes		**(2,819)**	**6,909**
Effect of exchange rate changes on cash and cash equivalents		(1,397)	431
Net (decrease) / increase in cash and cash equivalents		**(4,216)**	**7,340**
Cash and cash equivalents at beginning of the year		6,283	(1,057)
Cash and cash equivalents at end of the year	**13**	**2,067**	**6,283**

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

For personal use only

Accounting Policies

1. General information

MC Mining Limited (MC Mining or the Company) is a limited company incorporated in Australia. Its common shares are primary listed on the Australian Securities Exchange (ASX) and the Johannesburg Stock Exchange's (JSE) secondary market in South Africa. The addresses of its registered office and principal places of business are Block Arcade, Suite 324, Level 3, 96 Elizabeth Street, Melbourne, Victoria, Australia, 3000.

The principal activities of the Company and its subsidiaries (the Group or the Consolidated Entity) are the acquisition, exploration, development and operation of metallurgical and thermal coal projects in South Africa.

The Group's principal assets and projects include:

- Uitkomst Colliery, a metallurgical and thermal coal mine at which mining and processing operations were temporarily suspended with effect from 1 March 2026;
- the Makhado steelmaking hard coking coal project, which completed construction of the coal handling and preparation plant and entered hot commissioning during May 2026;
- the Vele Aluwani Colliery, a semi-soft coking and thermal coal mine, at which operations remain suspended; and
- three exploration and development stage coking and thermal coal projects, namely Chapudi, Generaal and Mopane, all of which have been granted mining rights and together form the Greater Soutpansberg Projects.

Going Concern

The Group incurred a net loss after tax of US$17.789 million for the year ended 30 June 2026 (2025: US$35.984 million) and net cash outflows from operating activities of US$8.899 million (2025: US$11.385 million). At 30 June 2026, the Group had cash and cash equivalents of US$2.904 million (2025: US$7.388 million), current assets of US$4.641 million and current liabilities of US$54.387million, resulting in a net current liability position of US$49.746 million (2025: US$11.729 million).

These events and conditions, together with the Group's reliance on further funding and the successful commissioning and ramp-up of the Makhado Project, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

During the year, Kinetic Development Group Limited completed its US$90 million subscription and, from 22 April 2026, became the Company's controlling shareholder with a 51.00% interest on a fully diluted basis. Following continued operational underperformance and sustained cash losses, mining and processing at Uitkomst Colliery were temporarily suspended from 1 March 2026 to limit further cash outflows while preserving asset value and future optionality.

The Directors have prepared monthly cash-flow forecasts to 30 June 2028, a period extending beyond twelve months from the expected date of authorisation of these financial statements. The forecasts incorporate Makhado operating cash flows, available and proposed funding, Group operating and project expenditure, remaining Makhado capital expenditure, rehabilitation payments and the progressive settlement of current and historical creditors. The forecasts indicate that the Group will have sufficient liquidity to meet its obligations as they fall due during the assessment period, provided that the principal funding, operational and creditor assumptions are achieved.

The principal assumptions include continued support from KDG and other shareholders; availability and drawdown of the convertible, bridge and proposed equity funding arrangements; successful conclusion and drawdown of the proposed working-capital facility; continued support from critical suppliers and creditors; successful completion of Makhado commissioning and performance testing; achievement of steady-state production, product quality, yields and sales; and completion of critical water, power, environmental, rehabilitation and logistics infrastructure.

For personal use only

Accounting Policies

1. General information (continued)

Going Concern (continued)

The cash-flow forecasts are particularly sensitive to the timing and quantum of external funding, the timing of Makhado cash generation, exchange rate, sales prices, the settlement profile for historical and current creditors, supplier continuity and the remaining Makhado CAPEX programme. Delays or adverse variances in one or more of these assumptions may lead to a material cash shortfall.

The Directors have considered reasonably possible downside scenarios, including delays in funding, a slower Makhado ramp-up, lower or delayed sales receipts, supplier withdrawal, creditor enforcement and unplanned expenditure. Management's available responses include deferring non-critical capital expenditure, reducing operating and corporate costs, prioritising critical supplier payments and pursuing alternative shareholder, debt and sales-linked funding. The effectiveness of certain responses nevertheless depends on third-party approvals and continuing supplier support. Major Shareholders have shown their commitment to the Group through continued funding and commitments to support.

Based on the above, the Directors consider that there are reasonable grounds to believe that the Group will be able to obtain the required funding and meet its obligations as and when they fall due, and therefore that the going concern basis of preparation remains appropriate. However, the material uncertainty described above remains and will only be substantially reduced once funding is secured and drawable, the creditor position is stabilised and Makhado has achieved stable positive cash generation.

These consolidated financial statements do not include adjustments to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities, that might be necessary should the Group be unable to continue as a going concern. Such adjustments could be material.

1.1 Statement of compliance

These consolidated financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, and comply with other requirements of the law. The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Compliance with Australian Accounting Standards ensures that the consolidated financial statements and notes of the Group comply with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

The parent entity information presented in note 41 is disclosed in accordance with the Corporations Act 2001 and does not constitute a complete set of financial statements of the Company.

The consolidated financial statements were authorised for issue by the Directors on 30 September 2026.

1.2 Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for financial instruments that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets.

All amounts are presented in United States dollars, and rounded to nearest thousand unless otherwise noted. Refer to 2.2 for the functional and presentation currency of the Company.

1.3 Fair value measurement

In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 or value in use in AASB 136.

For personal use only

Accounting Policies

1.3 Fair value measurement (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

• Level 3 inputs are unobservable inputs for the asset or liability.

2. Accounting policies

2.1 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

A list of controlled entities is contained in note 40 to the consolidated financial statements.

Non-controlling interest holders' interest in the net assets of subsidiaries are identified separately from the group's equity therein. Non-controlling interest holders' interest consist of the amount of those interests at the date of the original business combination and the non-controlling interest holders' share of changes in equity since the date of the combination.

All inter-group transactions, balances, income and expenses are eliminated in full on consolidation.

2.2 Functional and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency which is South African Rand and/or Australian Dollar). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in United States dollars (‘$’), which is the presentation currency for the consolidated financial statements.

Transactions in foreign currencies are initially recorded in the functional currency at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the spot rate of exchange ruling at the reporting date. All differences are recognised in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of the initial transaction.

For personal use only

Accounting Policies

2.2 Functional and presentation currency (continued)

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

• exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
• exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from other comprehensive income to profit or loss on disposal of the net investment in the foreign operation.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into United States dollars using the spot rate of exchange ruling at the reporting date. Income and expense items are translated at the average exchange rates for the financial year, unless exchange rates fluctuated significantly during the year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity in the foreign currency translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss.

2.3 Exploration and evaluation expenditure

(i) Pre-licence costs

Pre-licence costs relate to costs incurred before the Group has obtained legal rights to explore in a specific area. Such costs may include the acquisition of exploration data and the associated costs of analysing that data. These costs are expensed in the period in which they are incurred.

(ii) Exploration and evaluation expenditure

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Exploration and evaluation activity includes:

(i) Researching and analysing historical exploration data
(ii) Gathering exploration data through geophysical studies
(iii) Exploratory drilling and sampling
(iv) Determining and examining the volume and grade of the resource
(v) Surveying transportation and infrastructure requirements
(vi) Conducting market and finance studies

License costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised over the term of the permit.

Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to profit or loss as incurred, unless the Group conclude that a future economic benefit is more likely than not to be realised.

Capitalised expenditure includes costs directly related to exploration and evaluation activities in the relevant area of interest, including materials and fuel used, surveying costs, drilling costs and payments made to contractors. General and administrative costs are allocated to an exploration or evaluation area of interest and capitalised as an asset only to the extent that those costs can be related directly to operational activities in the relevant area of interest.

For personal use only

Accounting Policies

2.3 Exploration and evaluation expenditure (continued)

Exploration and evaluation assets acquired in a business combination are initially recognised at fair value, including resources and exploration potential that are valued beyond proven and probable reserves. Similarly, the costs associated with acquiring an exploration and evaluation asset (that does not represent a business) are also capitalised. They are subsequently measured at cost less accumulated impairment.

All capitalised exploration and evaluation expenditure is written off where the above conditions are no longer satisfied, and assessed for impairment if facts and circumstances indicate that an impairment may exist. See note 2.9.

Exploration and evaluation expenditure that has been capitalised is reclassified to development assets when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Capitalised exploration and evaluation expenditure is assessed for impairment when facts and circumstances, including the indicators in AASB 6.20, suggest that its carrying amount may exceed its recoverable amount, and in any event immediately before reclassification to development assets.

2.4 Development assets

Development assets represent mining projects that have advanced beyond the exploration and evaluation phase but are not yet fully commissioned for commercial production. These comprise costs directly attributable to the development and construction of a mine and related infrastructure, where technical feasibility and commercial viability have been demonstrated.

Development assets are distinguished from construction in progress within property, plant and equipment in that construction in progress relates to capital projects of mines already in production, whereas development assets relate to new mines that are not yet in commercial operation. No depreciation is recognised on development assets until the asset is transferred to mining property (PPE) at the date the mine is capable of operating in the manner intended by management. Immediately prior to transfer, development assets are tested for impairment.

At the reporting date, development assets relate primarily to the Makhado Project. Construction of the coal handling and preparation plant was completed and hot commissioning and plant start-up commenced during May 2026. The Makhado Project remains classified as a development asset at 30 June 2026 as it was not yet capable of operating in the manner intended by management at that date. Exploration and evaluation assets associated with the Vele Aluwani Colliery and the Greater Soutpansberg Projects remain within the scope of AASB 6, as technical feasibility and commercial viability of extracting a mineral resource have not yet been demonstrated. Development assets are assessed for impairment if facts and circumstances indicate that an impairment may exist. See note 2.9.

2.5 Property, plant and equipment - Mining property, plant and equipment

Mining property, plant and equipment includes expenditure that has been incurred through the exploration and development phases, and, in addition, further development expenditure that is incurred in respect of a mining property after the commencement of production, provided that, in all instances, it is probable that additional future economic benefits associated with the expenditure will flow to the Group. Otherwise such expenditure is classified as cost of sales.

Mining property includes plant and equipment associated with the mining property.

When a mine construction project moves into the production phase, the capitalisation of certain mine construction costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions, improvements or new developments, underground mine development or mineable reserve development.

Construction in progress represents assets under development that are not yet available for use in the manner intended by management. These assets are carried at cost, including directly attributable costs of construction and borrowing costs capitalised in accordance with policy 2.19, and are not depreciated. Once the asset is ready for its intended use, it is reclassified to the appropriate category of property, plant and equipment and depreciation commences in accordance with the Group's policy for that category.

For personal use only

Accounting Policies

2.5 Property, plant and equipment - Mining property, plant and equipment (continued)

Depreciation on plant and equipment included within mining property is computed on a straight-line basis over ten years. Depreciation on other components such as processing plants of mining property, is charged using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in a depreciation charge proportional to the depletion of proved and probable and unclassified reserves.

Mining property is assessed for impairment if facts and circumstances indicate that an impairment may exist. See note 2.9.

2.6 Property, plant and equipment – Mining Rights

Mining rights are classified as property, plant and equipment on commencement of commercial production. Depreciation is charged using the units-of-production method. The units-of-production basis results in a depreciation charge proportional to the depletion of proved and probable and unclassified reserves.

Mining rights are assessed for impairment if facts and circumstances indicate that an impairment may exist. Refer to note 2.9 - Impairment of tangible and intangible assets.

2.7 Property, plant and equipment (excluding development assets, mining property and mining rights)

Freehold land is stated at cost and is not depreciated.

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Where items of property, plant and equipment contain components that have different useful lives to the main item of plant and equipment, these are capitalised separately to the plant and equipment to which the component can be logically assigned.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and, for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The annual depreciation rates applicable to each category of property, plant and equipment are as follows:

Other assets (Office, computer equipment, furniture and fittings)	13% - 50%
Buildings	5% - 20%
Motor vehicles	20% – 33%
Leasehold improvements	Shorter of lease term and useful lives

For personal use only

Accounting Policies

2.8 Intangible assets

An intangible asset is recognised at cost if it is probable that future economic benefits will flow to the Group and the cost can be reliably measured. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised on a straight-line basis over their estimated useful lives based on the unit of production method. The amortisation method used and the estimated remaining useful lives are reviewed at least annually.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Intangible assets are assessed for impairment if facts and circumstances indicate that an impairment may exist. See note 2.9.

2.9 Impairment of tangible and intangible assets

The carrying amounts of the Group's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows were discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted due to a market price not being available.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.10 Leasing

At inception of a contract, the Group assessed whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in AASB 16.

As a lessee

The Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

For personal use only

Accounting Policies

2.10 Leasing (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Refer to note 2.9

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments; and
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

Short-term leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases.

The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Cost is determined by using the weighted-average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting materials into finished goods, based on the normal production capacity.

Any provision for obsolescence is determined by reference to specific items of stock. A regular review is undertaken to determine the extent of any provision for obsolescence.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

For personal use only

Accounting Policies

2.12 Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of AASB 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Group, as applicable, are as follows:

Financial assets

- Amortised cost
- Fair Value Through Profit or Loss

Financial liabilities

- Amortised cost

Financial assets at amortised cost

The following financial assets are classified as financial assets subsequently measured at amortised cost:

- Trade and other receivables (with the exception of VAT)
- Cash and cash equivalents
- Deposits included as part of other financial assets
- Restricted cash

Classification

Assets are classified in this category because the contractual terms give rise, on specific dates, to cash flows that are solely payments of principal and interest on the principal outstanding, and it is the Group's business model to collect the contractual cash flows on these assets.

Measurement

Financial assets at amortised cost are recognised when the Group becomes a party to the contractual provisions of the asset. Trade receivables are initially recognised at the transaction price, unless they contain a significant financing component. These financial assets are subsequently measured at amortised cost. All other financial assets in this category are initially measured at fair value less transaction costs. The amortised cost is the amount recognised on the financial asset, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method, of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Effective interest rate

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or (where appropriate) a shorter period, to the amortised cost of a financial instrument.

Interest income is calculated using the effective interest method, and is included in profit or loss in finance income.

For personal use only

Accounting Policies

2.12 Financial instruments (continued)

The application of the effective interest method to calculate interest income on a receivable is dependent on the credit risk of the receivable as follows:

• The effective interest rate is applied to the gross carrying amount of the financial asset, provided it is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.

• For financial assets that have become credit-impaired after initial recognition, interest is calculated on the amortised cost (net of the loss allowance); if the asset is no longer credit-impaired, interest reverts to the gross carrying amount.

When a financial asset is denominated in a foreign currency, the carrying amount of the financial asset is determined in the foreign currency. The carrying amount is then translated to the functional and/or presentation currency using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other gains.

Impairment

The Group makes use of the simplified approach as a practical expedient to the determination of expected credit losses on trade receivables. The Group applies the AASB 9 simplified approach to measure expected credit losses, which uses a lifetime expected credit loss allowance, for trade receivables. The simplified approach is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade receivables through use of a loss allowance account. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due date. The movement in expected credit losses are disclosed separately on the consolidated statement of profit and loss and other comprehensive income.

The Group assesses on a forward-looking basis the Expected Credit Losses (ECLs) associated with its financial assets carried at amortised cost. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). Refer to note 10 for further details.

Expected credit loss allowances are measured on either of the following bases:

• the ECL on all other financial instruments (with the exception of trade receivables) is measured at the 12-month ECL, unless there has been a significant increase in credit risk; and

• lifetime ECLs: being ECLs that result from all possible default events over the expected life of a financial instrument, which are recognised for trade receivables (simplified approach) and for other financial assets where credit risk has increased significantly since initial recognition.

For financial assets measured using the general approach, the Group considers that credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, or when information indicates a deterioration in the counterparty's financial position. The rebuttable presumption in AASB 9 has not been rebutted.

The Group considers a financial asset to be in default when financial assets are past due 90 days or more. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

For personal use only

Accounting Policies

2.12 Financial instruments (continued)

Financial assets at Fair Value Through Profit or Loss

The following financial assets are classified at Fair Value Through Profit or Loss:

- Equity securities in investment funds included in other financial assets; and
- Short-term liquid investments (money market unit trusts) included in other financial assets.

Classification

Investments held by the Group as equity securities in investment funds are classified as financial assets and subsequently measured at fair value through profit or loss. Assets are classified in this category because the Group does not hold these investments solely to collect payments of principal and interest on the principal outstanding, and/or the Group manages these investments based on their fair value.

Measurement

Financial assets at Fair Value Through Profit or Loss are recognised when the Group becomes a party to the contractual provisions of the investment. These financial assets are recognised initially at fair value. These financial assets are subsequently re-measured at fair value with all gains or losses recognised directly in profit or loss.

Financial liabilities at amortised cost

Classification

The following financial liabilities are classified as financial liabilities subsequently measured at amortised cost:
- Bank overdraft
- Borrowings
- Lease liabilities
- Trade and other payables (with the exception of VAT and payroll accruals)

Measurement

Liabilities at amortised cost are recognised when the Group becomes a party to the contractual provisions of the liability. The liabilities are initially measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost using the effective interest method.

For personal use only

Accounting Policies

2.12 Financial instruments (continued)

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs.

When financial liabilities are denominated in a foreign currency, the carrying amount of liabilities are determined in the foreign currency. The carrying amount is then translated to the presentation currency using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligations specified in the contracts are discharged, cancelled or expire. On derecognition of a financial asset/liability, any difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits. Cash and cash equivalents are accounted for at amortised cost.

Restricted cash comprise cash balances which are encumbered and the Group does therefore not have unrestricted access to these funds.

Trade payables

Trade payables are classified as current liabilities if payment is due within one year or less.

Trade payables are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method.

Compound financial instruments

The convertible promissory notes issued by the Group are compound financial instruments, as they contain both a liability component and an equity component. The conversion feature entitles the holder to convert a fixed principal amount into a fixed number of the Group's ordinary shares at a fixed conversion price, and accordingly meets the fixed-for-fixed criterion in AASB 132.

At initial recognition, the fair value of the liability component is determined by discounting the contractual cash flows payable on maturity at the market rate of interest applicable to a similar liability that does not carry a conversion option. The liability component is recognised at this amount and subsequently measured at amortised cost using the effective interest method, with the resulting interest accretion recognised in profit or loss as finance costs.

The residual between the proceeds received and the fair value of the liability component is recognised directly in equity in the conversion reserve, net of any directly attributable transaction costs and related income tax. The equity component is not remeasured in subsequent periods.

On conversion, the carrying amount of the liability component and the balance of the conversion reserve attributable to the converted notes are transferred to share capital; no gain or loss arises. Where the notes are settled in cash on maturity, the conversion reserve is transferred to retained earnings.

The notes are denominated in US Dollars and constitute monetary items. The liability portion is translated at the closing rate at each reporting date, with exchange differences recognised in profit or loss. The equity component, being a non-monetary item measured at historical cost, remains at the exchange rate ruling on the date of the transaction.

For personal use only

Accounting Policies

2.13 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material). The increase in provisions due to the passage of time is included in the finance cost line item in the consolidated statement of profit or loss and other comprehensive income.

Rehabilitation provision

A provision for rehabilitation is recognised when there is a present obligation as a result of exploration, development or production activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably.

The nature of these restoration activities includes: dismantling and removing structures; rehabilitating mines and tailings dams; dismantling operating facilities; closing plant and waste sites; and restoring, reclaiming and revegetating affected areas.

The provision for future rehabilitation costs is the best estimate of the present value of the expenditure required to settle the rehabilitation obligation at the reporting date, based on current legal and other requirements and technology. Future rehabilitation costs are reviewed annually and any changes in the estimate are reflected in the present value of the rehabilitation provision at each reporting date.

The initial estimate of the rehabilitation provision relating to exploration, development and production facilities is capitalised into the cost of the related asset and depreciated or amortised on the same basis as the related asset. Changes in the estimate of the provision are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset in property, plant and equipment.

2.14 Taxation

The income tax expense or income for the period represents the sum of the tax currently payable or recoverable and deferred tax.

Current taxation

The tax currently payable or recoverable is based on taxable profit or loss for the year. Taxable profit or loss differs from profit or loss as reported in the consolidated statement of profit or loss and other comprehensive loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date in countries where the Group operates and generates taxable income.

Deferred taxation

Deferred taxation is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit or loss. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if a taxable temporary difference arises from the initial recognition of goodwill or any temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

For personal use only

Accounting Policies

2.14 Taxation (continued)

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax balances are calculated using the tax rates that are expected to apply to the reporting period or periods when the temporary difference reverse, based on tax rates and tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax liabilities are recognised for temporary differences associated with investments in subsidiaries and interests in joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.15 Revenue from contracts with customers

Revenue is recognised at the transaction price the Group expects to be entitled to, net of applicable sales tax. Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control of coal sold to a customer at a point in time. Indicators that control has transferred include:

- The Group has a present right to payment for the coal sold.
- The customer has legal title to the coal sold.
- The Group has transferred physical possession of the coal sold.
- The customer has the significant risks and rewards of ownership of the coal sold.
- The customer has accepted the coal sold

In applying these indicators, the Group determines that control transfers — and revenue is recognised — when the coal leaves the Group's premises under Free On Truck (FOT) terms. At this point, the customer assumes the significant risks and rewards of ownership, and the Group has no further performance obligations.

There are no remaining performance obligations (unsatisfied or partially unsatisfied) based on the terms of the contracts requiring disclosure.

The Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods to the customer and when the customer pays for that goods will be one year or less.

For personal use only

Accounting Policies

2.16 Share-based payments

Equity-settled

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 30.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on the straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate with a corresponding adjustment to the equity-settled share-based payment reserve.

Equity-settled share-based payment transactions with employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

2.17 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably. Short-term employee benefits are expensed as the related service is provided.

2.18 Segment information

Reportable segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company’s executive committee.

Management has determined the reportable segments of the Group based on the reports reviewed by the Company’s executive committee that are used to make strategic decisions. The Group has three reportable segments: Exploration, Development and Mining (see note 32).

2.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time (generally more than twelve months) to get ready for its intended use, are capitalised as part of the cost of that asset until such time as the asset is substantially ready for its intended use. Where funds are borrowed generally, the amount capitalised is determined by applying a capitalisation rate to the expenditure on the asset, being the weighted average of the borrowing costs applicable to the Group's borrowings outstanding during the period other than borrowings made specifically for the purpose of obtaining a qualifying asset.

Capitalisation is suspended during extended periods in which active development is interrupted, and ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

For personal use only

Accounting Policies

3. Critical accounting estimates and key judgements

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The primary areas in which estimates and judgements are applied are discussed below.

Asset carrying values and impairment charges

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using fair value less cost of disposal calculations, which incorporate various key assumptions. Key assumptions include future coal prices, future operating costs, discount rates, foreign exchange rates and coal reserves. Future operating costs include electricity and diesel costs, which are affected by Eskom tariff increases, South African economic conditions and global oil prices, including the effect of the conflict in the Middle East. These costs are reflected in the cash flow forecasts used in the impairment assessments. Management has also considered the potential effect of climate change, including the transition to lower-carbon energy, on long-term coal prices. The effect on the long-term hard coking coal and thermal coal price assumptions used is not considered material at present. Management will continue to monitor developments.

Exploration and evaluation assets

Determining the recoverability of exploration and evaluation expenditure capitalised requires judgement and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. The Group applies the principles of AASB 6 and recognises exploration and evaluation assets when the rights of tenure of the area of interest are current, and the exploration and evaluation expenditures incurred are expected to be recouped through successful development and exploitation of the area. If, after having capitalised the expenditure under the Group's accounting policy, a judgement is made that recovery of the carrying amount is unlikely, an impairment loss is recorded in profit or loss.

Development assets

Development activities commence after the commercial viability and technical feasibility of the project is established. Judgement is applied by management in determining when a project is commercially viable and technically feasible. Any judgements may change as new information becomes available. If, after having commenced the development activity, a judgement is made that a development asset is impaired, the appropriate amount will be written off to profit or loss.

The Group considers the following items as pre-requisites prior to concluding on commercial viability:

- All requisite regulatory approvals from government departments in South Africa have been received and are not subject to realistic legal challenges;
- The Group has the necessary funding to engage in the construction and development of the project as well as general working capital until the project is cash generative;
- A Joint Ore Reserve Committee (JORC) compliant resource proving the quantity and quality of the project as well as a detailed Mine Plan reflecting that the colliery can be developed and will deliver the required return hurdle rates; and
- The Group has the appropriate skills and resources to develop and operate the project.

For personal use only

Accounting Policies

3. Critical accounting estimates and key judgements (continued)

Property, plant and equipment – commencement of commercial production

Judgement is applied in determining when construction in progress and development assets are available for use in the manner intended by management. At that point they are transferred to mining property, plant and equipment and depreciation commences. Management considers factors such as completion of commissioning, the plant operating at a sustained level of its design capacity and the production of saleable product. At 30 June 2026 the Makhado Project was in hot commissioning and had not reached this point, and the related assets remained in construction in progress and development assets.

Impairment assessment

Long-term mining assets forming part of board approved projects are valued based on estimates of future discounted cash flows (DCFs) of the latest board-approved business forecasts regarding production volumes, costs of production, capital expenditure, coal prices and market forecasts for foreign exchange rates. The discount rate is a risk adjusted discount rate, taking into account specific risks relating to the Cash Generating Unit (CGU) where cash flows have not been adjusted for the risk. This methodology is typically applied to CGUs classified as Property, Plant and Equipment, Development assets as well as Exploration and Evaluation assets (e.g. Makhado).

Coal resources outside approved mine plans are valued based on an in situ resource multiple based value. Comparable market transactions are used as a source of evidence to determine whether an impairment indicator exists. This methodology is typically applied to CGUs classified as Property, Plant and Equipment and Exploration and Evaluation assets (e.g. Greater Soutpansberg Project). Due to the past challenges and uncertainty at Vele and Uitkomst, impairment assessments were carried out based on in situ resource multiple based value as well. This will be applied until the feasibility of the turnaround plan has been proven.

The key financial assumptions used in the current year's impairment calculations are:

Hard coking coal (HCC) price (real US$ per ton)	$248	(i)
Thermal coal price (real US$ per ton)	$103	(ii)
Rand/US$ exchange rate	16,50	(iii)
Real discount rates	8,73%	
In situ resource multiple valuation range (Rand per tonne)	R1.60 - R4.08	(iv)

(i) Estimated with reference to the short-term future quotes for hard coking coal free-on-board Australia. Management's models considered a HCC price range of between $217 per tonne and $281 per tonne, with a base case of $248 per tonne.

(ii) Estimated with reference to the forward curve for API4 thermal coal free-on-board Richards Bay. Management's models considered a real long-term thermal coal price range of between $91 per tonne and $117 per tonne, with a base case of $103 per tonne.

(iii) Estimated with reference to the prevailing exchange rates and consensus outlooks. Management's models considered a Rand vs US Dollar exchange rate range of between R16.50 and R21.84 with a base case of R16.50.

(iv) The in situ resource multiple valuation range has been used for the CGU's for which the Discounted Cash Flow was not used as valuation method. Based on historic thermal and premium coal transactions in South Africa a weighted range of between R1.60 and R4.08 per gross tonne in situ was determined reasonable for the Group's impairment assessment purposes. The carrying values of the Group's exploration and evaluation projects were comfortably supported within this range after adjusting for project risk factors.

For personal use only

Accounting Policies

3. Critical accounting estimates and key judgements (continued)

Sensitivity analysis for DCF calculations used for the Makhado Project

Sensitivity	Change	Effect on estimated recoverable amount US$ million			
		Uitkomst Colliery	Vele Colliery	Makhado Project	
Long-term HCC prices	+10%	N/A	N/A	1,886	
	-5%	N/A	N/A	(948)	(i)
Long-term thermal prices	+7.5%	N/A	N/A	475	
	-7.5%	N/A	N/A	(470)	(ii)
Long-term exchange rate	+6%	N/A	N/A	1,510	
	-3%	N/A	N/A	(754)	(iii)
Discount rate	+1%	N/A	N/A	(238)	(iv)
	-1%	N/A	N/A	269	

(i) Keeping all other inputs constant, this sensitivity scenario would not result in an impairment charge for the Makhado Project. Should the long-term HCC prices price decrease by 8%, an impairment will be recognised for the Makhado Project.

(ii) Keeping all other inputs constant, this sensitivity scenario would not result in an impairment charge for the Makhado Project. Should the long-term thermal coal price decrease by 23.5%, an impairment will be recognised for the Makhado Project.

(iii) Keeping all other inputs constant, this sensitivity scenario would result in an impairment charge for the Makhado Project. Should the long-term exchange rate decrease with 6%, an impairment will be recognised for the Makhado Project.

(iv) Keeping all other inputs constant, this sensitivity scenario would result in an impairment charge for the Makhado Project. Should the disccount rate increase with 10%, an impairment will ebe recognised for the Makhado Project.

The key financial assumptions used in the prior year's impairment calculations were:

Hard coking coal (HCC) price (real US$ per ton)	$201	(i)
Thermal coal price (real US$ per ton)	$113	(ii)
Rand/US$ exchange rate	18,65	(iii)
Real discount rates	8.91%	(iv)
In situ resource multiple valuation range (SA Rand per ton)	R1.60 - R4.08	(v)

(i) Estimated with reference to the short-term future quotes for hard coking coal free-on-board Australia. Management's models considered a HCC price range of between $195 per tonne and $212 per tonne, with a base case of $201 per tonne

(ii) Estimated with reference to the forward curve for API4 thermal coal free-on-board Richards Bay. Management's models considered a real long-term thermal coal price range of between $108 per tonne and $126 per tonne, with a base case of $113 per tonne.

(iii) Estimated with reference to the prevailing exchange rates and consensus outlooks. Management's models considered a Rand vs US Dollar exchange rate range of between R17.96 and R18.65 with a base case of R18.65.

(iv) The in situ resource multiple valuation range has been used for the CGU's for which the Discounted Cash Flow was not used as valuation method. Based on historic thermal and premium coal transactions in South Africa a weighted range of between R1.60 and R4.08 per gross tonne in situ was determined reasonable for the Group's impairment assessment purposes. The carrying values of the Group's exploration and evaluation projects were comfortably supported within this range after adjusting for project risk factors.

For personal use only

Accounting Policies

3. Critical accounting estimates and key judgements (continued)

Sensitivity analysis for DCF calculations (prior year)

Sensitivity	Change	Effect on estimated recoverable amount US$ million			
		Uitkomst Colliery	Vele Colliery	Makhado Project	
Long-term HCC prices	+10%	N/A	N/A	1,657	
	-5%	N/A	N/A	(885)	(i)
Long-term thermal prices	+7.5%	N/A	N/A	124	
	-7.5%	N/A	N/A	(125)	(ii)
Long-term exchange rate	+6%	N/A	N/A	1,055	
	-3%	N/A	N/A	(551)	(iii)
Discount rate	+1%	N/A	N/A	(247)	(iv)
	-1%	N/A	N/A	287	

(i) Keeping all other inputs constant, this sensitivity scenario would result in an impairment charge for the Makhado Project.

(ii) Keeping all other inputs constant, this sensitivity scenario would not result in an impairment charge for the Makhado Project. Should the long-term thermal coal price decrease by 10%, an impairment will be recognised for the Makhado Project.

(iii) Keeping all other inputs constant, this sensitivity scenario would result in an impairment charge for the Makhado Project.

(iv) Keeping all other inputs constant, this sensitivity scenario would result in an impairment charge for the Makhado Project.

Coal reserves

Economically recoverable coal reserves relate to the estimated quantity of coal in an area of interest that can be expected to be profitably extracted, processed and sold.

The Group determines and reports coal reserves under the Australasian Code of Reporting of Mineral Resources and Ore Reserves (the 'JORC Code'). This includes estimates and assumptions in relation to geological, technical and economic factors, including: quantities, grades, production techniques, recovery rates, production costs, transport costs, exchange rates and expected coal demand and prices.

Because the economic assumptions used to estimate reserves change from period to period, and because additional geological data is generated during the course of operations and mining operations conducted, estimates of reserves may change from period to period. Changes in reported reserves may affect the Group's financial results and financial position in a number of ways, including the following:

- asset carrying values may be affected due to changes in estimated future cash flows; and
- depreciation and amortisation charges may change where such charges are determined on the units of production basis, or where the useful economic lives of assets change.

For personal use only

Accounting Policies

3. Critical accounting estimates and key judgements (continued)

Rehabilitation and restoration provisions

Certain estimates and assumptions are required to be made in determining the cost of rehabilitation and restoration of the areas disturbed during mining activities and the cost of dismantling of mining infrastructure. The amount the Group is expected to incur to settle its future obligations includes estimates regarding:

- the future expected costs of rehabilitation, restoration and dismantling;
- the expected timing of the cash flows and the expected life of mine (which is based on coal reserves noted above);
- the application of relevant environmental legislation, including the National Environmental Management Act, 1998 and the regulations on financial provisioning for rehabilitation and closure issued under it. The provision is based on the requirements in force at the reporting date. No changes in legislation that would have a material impact on the provision have been identified; and
- the appropriate rate at which to discount the liability.

Changes in the estimates and assumptions used could have a material impact on the carrying value of the rehabilitation provision and related asset. The provision is reviewed at each reporting date and updated based on the best available estimates and assumptions at that time. The carrying amount of and inputs to the rehabilitation provision are set out in note 16.

Taxation

The Group's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the consolidated statement of financial position. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future sales volumes and operating costs. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the consolidated statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amount of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to profit or loss.

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in its leases. Therefore, it uses the relevant incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The IBR, therefore, reflects what the Group would have to pay, which requires estimation when no observable rates are available and to make adjustments to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to consider certain contract and entity-specific judgements and estimates.

Residual value and useful life of property, plant and equipment

The Group depreciates its assets over their estimated useful lives, as more fully described in the accounting policies for property, plant and equipment.

For personal use only

Accounting Policies

3. Critical accounting estimates and key judgements (continued)

Residual value and useful life of property, plant and equipment (continued)

The estimation of useful lives of assets are based on historical performance as well as expectations about future use and therefore require a significant degree of judgement to be applied by management. Judgement is applied by management in determining the residual values for property, plant and equipment. When determining the residual value for property, plant and equipment, the following factors are taken into account:

- External residual value information (if available); and
- Internal technical assessments for specialised mining equipment.
- The expected remaining life of mine, including the expected duration of any care and maintenance (hibernation) period before production resumes.

Following the hibernation of Uitkomst Colliery from 1 March 2026, management reassessed the useful lives, residual values and depreciation methods of its assets. Units-of-production assets are not depreciated while production is suspended, and straight-line assets continue to be depreciated. No material change in estimate arose.

4. New accounting standards and interpretations

Standards and interpretations adopted in the current year

The Group has adopted all new and revised standards issued by the Australian Accounting Standards Board that are relevant and effective for accounting periods beginning on or after 1 July 2025, as listed below:

Standard	Amendment	Title
Amendments to AASB 121	Amendment	Lack of Exchangeability
Amendments to AASB 136 and AASB 137	Amendment	Disclosures about Uncertainties in the Financial Statements

Lack of Exchangeability – Amendments to AASB 121

The amendments introduce a definition of exchangeability and specify how an entity determines whether a currency is exchangeable into another currency. A currency is exchangeable when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay, through a market or exchange mechanism that creates enforceable rights and obligations. When a currency is not exchangeable, an entity estimates the spot exchange rate at the measurement date, being the rate at which an orderly exchange transaction would take place between market participants under prevailing economic conditions, and discloses information about how the lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The Group does not transact in, and does not hold operations whose functional currency is, a currency that is not exchangeable into another currency. The Group continues to translate foreign currency balances at observable market spot rates and, accordingly, the amendments did not have an impact on the consolidated financial statements.

Disclosures about Uncertainties in the Financial Statements – Amendments to AASB 136 and AASB 137

These amendments add illustrative examples to the guidance accompanying AASB 136 and AASB 137. The examples illustrate how an entity applies the existing requirements of those Standards in reporting the effects of uncertainties in its financial statements – in relation to AASB 136, how an entity discloses information about the key assumptions used to determine the recoverable amounts of assets and, in relation to AASB 137, how an entity discloses information about plant decommissioning and site restoration obligations. The examples accompany, but do not form part of, the Standards and do not amend any recognition, measurement or disclosure requirement. The amendments are effective immediately.

The Group considered the illustrative examples in preparing its disclosures on impairment, rehabilitation provisions and useful lives (note 3). The amendments did not affect the amounts recognised.

For personal use only

Accounting Policies

4. New accounting standards and interpretations (continued)

Standards, interpretations and amendments to published standards that are not yet effective

At the date of authorisation of the financial statements, the following revised, amended and new Standards and Interpretations applicable to the entity were in issue but not yet effective:

Standard	Amendment	Title
Amendments to AASB 9 and AASB 7[1]	Amendment	Classification and Measurement of Financial Instruments
AASB 18[2]	New standard	Presentation and Disclosure in Financial Statements
IFRS 19[2]	New standard	Subsidiaries without Public Accountability: Disclosures

[1] Annual periods beginning on or after 1 January 2026
[2] Annual periods beginning on or after 1 January 2027

These Standards and Interpretations will be applied on their effective date in future periods.

Classification and Measurement of Financial Instruments – Amendments to AASB 9 and AASB 7

These amendments clarify certain requirements relating to the classification and derecognition of financial assets and financial liabilities and introduce additional disclosure requirements.

In particular, the amendments clarify the timing of derecognition of financial liabilities settled through electronic funds transfer (EFT) and distinguish between trade date and settlement date accounting for financial liabilities, and introduce an accounting policy option to derecognise financial liabilities settled through an electronic payment system before the settlement date where specified conditions are met. The amendments also clarify how contractual cash flow characteristics are assessed for financial assets with environmental, social and governance (ESG)-linked and other similar contingent features, and how non-recourse features and contractually linked instruments are assessed in applying the solely payments of principal and interest test. Additional disclosures are required in AASB 7 for financial assets and financial liabilities with contractual terms that reference a contingent event, and for equity instruments designated at fair value through other comprehensive income.

The Group has reviewed its current processes for payments and financial instrument settlement and confirmed that liabilities are derecognised only when settlement is complete, consistent with the amended guidance. Similarly, trade date versus settlement date considerations have been assessed and no changes in accounting treatment are required. The Group does not hold financial assets with ESG-linked or other contingent features, non-recourse features or contractually linked instruments. Based on this assessment, the amendments are not expected to have a material impact on the Group's consolidated financial statements.

For personal use only

Accounting Policies

4. New accounting standards and interpretations (continued)

Standards, interpretations and amendments to published standards that are not yet effective (continued)

AASB 18 – Presentation and Disclosure in Financial Statements

AASB 18 will replace AASB 101 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though AASB 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management has continued its assessment of the detailed implications of applying the new standard to the Group's consolidated financial statements. From the assessment performed to date, the following potential impacts have been identified:

• Although the adoption of AASB 18 will have no impact on the Group's net loss, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:

- Foreign exchange differences currently aggregated in the line item 'other gains' in operating loss might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

• The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

• The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- management-defined performance measures;
- a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
- for the first annual period of application of AASB 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying AASB 18 and the amounts previously presented applying AASB 101.

• From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

• The Group has also considered the agenda decisions published by the IFRS Interpretations Committee during the year that address the application of IFRS 18, on which AASB 18 is based, including the scope of the requirement to disclose expenses by nature, the classification of gains and losses on a derivative managing a foreign currency exposure, and the classification of foreign exchange differences arising on intragroup monetary items that are eliminated on consolidation. An accounting policy will be developed and applied consistently in respect of the classification of those foreign exchange differences.

AASB 18 is effective for annual reporting periods beginning on or after 1 January 2027. The Group will therefore apply the new standard for the first time in the annual reporting period commencing 1 July 2027, being the financial year ending 30 June 2028. Retrospective application is required, and so the comparative information for the financial year ending 30 June 2027 will be restated in accordance with AASB 18.

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000

5. Property, plant and equipment

	Land and buildings	Leasehold improvements	Mining property, plant and equipment	Motor vehicles	Mining rights	Construction in progress	Other	Total
Reconciliation for the year ended 30 June 2026 - Group								
Balance at 1 July 2025								
At cost	12,112	12	21,319	1,477	14,933	23,247	813	**73,913**
Accumulated depreciation	(1,888)	(10)	(7,966)	(983)	(14,927)	-	(675)	**(26,449)**
Carrying amount	**10,224**	**2**	**13,353**	**494**	**6**	**23,247**	**138**	**47,464**
Movements for the year ended 30 June 2026								
Additions	10	55	145	-	-	66,875	248	**67,333**
Depreciation	(84)	(1)	(171)	(94)	(26)	-	(95)	**(471)**
Rehabilitation asset*	-	-	17,798	-	-	-	-	**17,798**
Exchange differences relating to:	773	3	1,610	21	26	3,724	(12)	**6,145**
- Cost	796	3	2,174	80	1,206	3,724	(152)	**7,831**
- Accumulated depreciation	(23)	-	(564)	(59)	(1,180)	-	140	**(1,686)**
Disposals	1	(2)	(532)	(21)	-	-	(9)	**(563)**
- Cost	7	3	(3,454)	(332)	-	-	(58)	**(3,834)**
- Accumulated depreciation	(6)	(5)	2,922	311	-	-	49	**3,271**
Property, plant and equipment at the end of the year	**10,924**	**57**	**32,203**	**400**	**6**	**93,846**	**270**	**137,706**
Closing balance at 30 June 2026								
At cost	12,925	70	37,982	1,225	16,139	93,846	851	**163,038**
Accumulated depreciation	(2,001)	(13)	(5,779)	(825)	(16,133)	-	(581)	**(25,332)**
Carrying amount	**10,924**	**57**	**32,203**	**400**	**6**	**93,846**	**270**	**137,706**

Included in additions to construction in progress are capitalised borrowing costs related to the acquisition of the construction of the plant of US$0.42 million, calculated using a capitalisation rate of 10.25%.

personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000

Reconciliation for the year ended 30 June 2025 - Group	Land and buildings	Leasehold improvements	Mining property, plant and equipment	Motor vehicles	Mining rights	Construction in progress	Other	Total
Balance at 1 July 2024								
At cost	7,865	12	22,142	1,317	14,543	-	750	**46,629**
Accumulated depreciation	(1,714)	(7)	(4,690)	(847)	(5,098)	-	(528)	**(12,884)**
Carrying amount	**6,151**	**5**	**17,452**	**470**	**9,445**	**-**	**222**	**33,745**
Movements for the year ended 30 June 2025								
Additions	53	-	116	149	6	17,526	42	**17,892**
Transfer from exploration and evaluation assets (Note 7)	3,883	-	88	-	-	5,150	-	**9,121**
Depreciation	(128)	(3)	(199)	(138)	(257)		(131)	**(856)**
Impairment loss recognised in profit or loss**	-	-	(2,972)	-	(8,969)	-	-	**(11,941)**
Rehabilitation asset*	-	-	(1,574)	-	-	-	-	**(1,574)**
Exchange differences relating to:	265	-	442	13	(219)	571	5	**1,077**
- Cost	311	-	548	39	384	571	21	**1,874**
- Accumulated depreciation	(46)	-	(106)	(26)	(603)	-	(16)	**(797)**
Disposals	-	-	-	-	-	-	-	**-**
- Cost	-	-	-	(27)	-	-	-	**(27)**
- Accumulated depreciation	-	-	-	27	-	-	-	**27**
Property, plant and equipment at the end of the year	**10,224**	**2**	**13,353**	**494**	**6**	**23,247**	**138**	**47,464**
Closing balance at 30 June 2025								
At cost	12,112	12	21,319	1,477	14,933	23,247	813	**73,913**
Accumulated depreciation	(1,888)	(10)	(7,966)	(983)	(14,927)	-	(675)	**(26,449)**
Carrying amount	**10,224**	**2**	**13,353**	**494**	**6**	**23,247**	**138**	**47,464**

*Refer to note 16 for more details on the movement on the rehabilitation asset.
**Refer to note 5.1 for detail on the impairment.

Other assets consist of office, computer equipment, furniture and fittings.

personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000

5.1 Additional disclosures

FY2026 impairment assessment

In FY2026, management did not identify indicators of impairment in terms of AASB 136 – Impairment of Assets.

The recoverable value of each project was determined by estimating the market value of its mineral assets, being fair value less costs of disposal, and comparing this with the carrying value of the associated assets and liabilities. As the recoverable value exceeded the carrying value in each case, no impairment charge was recognised during the year ended 30 June 2026.

The mineral assets being valued are compared with the transaction value of similar mineral assets under similar time and circumstances on an open market. Methods include comparable transactions and option or farm-in agreement terms analysis. The identification of impairment indicators and the estimation of market value required management to make significant estimates and judgements.

FY2025 impairment assessment

In FY2025, management identified indicators of impairment in terms of AASB 136 – Impairment of Assets. The Uitkomst Colliery was impaired by $12.3 million due to losses incurred during the year, while the GSP mineral assets were impaired by $12 million following a decline in their market value.

The recoverable value of each project was determined by estimating the market value of its mineral assets, before comparing this amount with the carrying value of the associated assets and liabilities in order to assess whether an impairment of the carrying value was required under AASB 136. Due to the recoverable value being less than the carrying value, an impairment charge of $24.3 million was recognised during the year ended 30 June 2025.

The mineral assets being valued are compared with the transaction value of similar mineral assets under similar time and circumstances on an open market. Methods include comparable transactions and option or farm-in agreement terms analysis. The identification of impairment indicators and the estimation of market value required management to make significant estimates and judgements.

	Uitkomst US$ '000	GSP US$ '000	Total US$ '000
Carrying value of cash generating unit	15,039	34,646	49,685
Recoverable value	(2,696)	(22,661)	(25,357)
Impairment expense (allocated to property, plant and equipment)	11,941	-	11,941
Impairment expense (allocated to exploration and evaluation assets)	402	11,985	12,387
Total impairment expense recognised in profit or loss	**12,343**	**11,985**	**24,328**

The recoverable amounts were determined using fair value less costs of disposal, a Level 3 fair value measurement, based on the in situ resource multiple disclosed in note 3. The current use of the assets represents their highest and best use.

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2026	Group 2025

6. Development assets

Balances at year end and movements for the year

Reconciliation for the year

Balance at the beginning of the year	27,310	-
Movements for the year		
Additions	76	22
Transfer from exploration and evaluation assets (Note 7)	-	26,593
Foreign exchange differences	2,160	695
Development assets at the end of the year	**29,546**	**27,310**

The Makhado Project was reclassified from exploration and evaluation assets to development expenditure during the prior year, as the project is now engaged in establishing access to, and commissioning facilities to extract, treat, and transport production from the mineral reserve, along with other preparations for commercial production.

7. Exploration and evaluation assets

7.1 Reconciliation of changes in exploration and evaluation assets

	Exploration and evaluation assets
Reconciliation for the year ended 30 June 2026 - Group	
Balance at 1 July 2025	
At cost	49,030
Accumulated impairment losses	(26,129)
Carrying amount	**22,901**
Movements for the year ended 30 June 2026	
Additions	108
Increase through net exchange differences	1,479
Exploration and evaluation assets at the end of the year	**24,488**
Closing balance at 30 June 2026	
At cost	52,679
Accumulated impairment losses	(28,191)
Carrying amount	**24,488**

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000

7. Exploration and evaluation assets (continued)

7.1 Reconciliation of changes in exploration and evaluation assets

Reconciliation for the year ended 30 June 2025 - Group	Exploration and evaluation assets
Balance at 1 July 2024	
At cost	83,936
Accumulated impairment losses	(13,391)
Carrying amount	**70,545**
Movements for the year ended 30 June 2025	
Additions	6
Increase through net exchange differences	451
Transfer to property, plant and equipment (Note 5)	(9,121)
Transfer to development assets (Note 6)	(26,593)
Impairment loss recognised in profit or loss*	(12,387)
Exploration and evaluation assets at the end of the year	**22,901**
Closing balance at 30 June 2025	
At cost	49,030
Accumulated impairment losses	(26,129)
Carrying amount	**22,901**

*Refer to note 5.1 for detail on the impairment.

8. Intangible assets

Reconciliation of changes in intangible assets

Reconciliation for the year ended 30 June 2026 - Group	Biodiversity asset
Balance at 1 July 2025	
At cost	570
Accumulated amortisation and impairment losses	(104)
Carrying amount	**466**
Movements for the year ended 30 June 2026	
Increase through net exchange differences	36
Amortisation	(36)
Intangible assets at the end of the year	**466**
Closing balance at 30 June 2026	
At cost	616
Accumulated amortisation and impairment losses	(150)
Carrying amount	**466**

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2026	Group 2025

8. Intangible assets (continued)

Reconciliation for the year ended 30 June 2025 - Group	Biodiversity asset
Balance at 1 July 2024	
At cost	556
Accumulated amortisation and impairment losses	(68)
Carrying amount	**488**
Movements for the year ended 30 June 2025	
Increase through net exchange differences	12
Amortisation	(34)
Intangible assets at the end of the year	**466**
Closing balance at 30 June 2025	
At cost	570
Accumulated amortisation and impairment losses	(104)
Carrying amount	**466**

The biodiversity asset relates to the asset capitalised as part of the biodiversity offset provision as disclosed in note 16 to the financial statements. The biodiversity offset agreement provides the Group the right to mine as per the mining right.

9. Inventories

Inventories comprise:		
Consumable stores	57	699
Diesel	89	-
Finished goods	-	138
Provision for obsolete inventory	(41)	(11)
	105	**826**

The cost of inventories recognised as an expense during the year was $0.1 million (2025 expense: $0.06 million).

10. Trade and other receivables

Trade and other receivables comprise:		
Trade receivables	1,945	2,090
Expected credit loss allowances	(1,715)	(1,589)
Trade receivables - net balance	230	501
Prepaid expenses - Non-financial asset	288	580
Other receivables	108	912
Value added tax - Non-financial asset	968	607
	1,594	**2,600**

The carrying amount of trade and other receivables approximate their fair value due to their short-term maturity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables as disclosed above.

Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due. In order to mitigate the risk of financial loss from defaults, the Group only deals with reputable customers with consistent payment histories. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Customer credit limits are in place and are reviewed on a regular basis. The exposure to credit risk and the creditworthiness of customers are continuously monitored.

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2026	Group 2025

10. Trade and other receivables (continued)

A loss allowance is considered for all trade receivables, in accordance with AASB 9 Financial Instruments, and is monitored at the end of each reporting period. The Group measures the possible loss allowance for trade receivables by applying the simplified approach which is prescribed by AASB 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses (ECLs) on trade receivables. To measure the ECLs, trade receivables are grouped based on shared credit risk characteristics and the days past due to identify non-performing receivables. In addition, forward-looking macro-economic conditions and factors are considered when determining the ECLs for trade receivables, namely trading conditions in the regional coal user markets, as well as economic growth and inflationary outlook in the short-term. Trade receivables are written-off when there is no reasonable expectation of recovery. Based on the year-end ECL assessment performed, a provision of $1.72 million (FY2025: $1.59 million) was required at the end of the financial year. The significant ECL at year end is related to receivables of the Vele Project. As operations remain suspended and contractual payments are more than 90 days past due, the receivables are considered credit-impaired. The increase in the ECL is a result of further expected credit losses provided on long outstanding receivables of the Vele Project.

The majority of trade receivables at the end of the current and previous financial year are denominated in South African Rand.

11. Deferred tax

11.1 The analysis of deferred tax assets and deferred tax liabilities is as follows:

Deferred tax liability	(1,166)	(1,110)
Net deferred tax liabilities	**(1,166)**	**(1,110)**
The deferred tax balances at year-end are represented by:		
Provision	-	409
Assessed loss	-	1,967
Debtors deposits	-	131
Right-of-use assets	-	731
Deferred tax assets	**-**	**3,238**
Capital allowances on property plant and equipment	-	(2,588)
Fair value adjustment at acquisition	(1,166)	(1,110)
Exploration asset	-	(132)
Lease liabilities	-	(518)
Deferred tax liabilities	**(1,166)**	**(4,348)**

11.2 Reconciliation of deferred tax movements

Opening balance	(1,110)	(3,349)
Provisions	(409)	(161)
Capital allowances	2,588	256
Lease liabilities	518	(110)
Foreign exchange	(56)	37
Exploration asset	132	-
Right-of-use asset	(731)	119
Debtors deposits	(131)	131
Assessed loss	(1,967)	1,967
Closing balance	**(1,166)**	**(1,110)**

Deferred tax assets of US$49.6 million have not been recognised in respect of unused tax losses, unredeemed capital expenditure and other deductible temporary differences of the Group's South African and Australian subsidiaries, as it is not probable that future taxable profits will be available against which they can be utilised.

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2026	Group 2025

12. Other financial assets

12.1 Other financial assets incorporate the following balances:

Equity securities in investment funds*	3,316	3,703
Deposits**	133	606
Short-term liquid investments*	38	333
	3,487	**4,642**
Non-current assets	3,449	4,309
Current assets	38	333
	3,487	**4,642**

Fair value movements in other financial assets are recognised in other (losses)/gains in the consolidated statement of profit or loss. Refer to note 26.

* Included in these investments are unit trust investments where the underlying funds invest in equity instruments and money market instruments, both local and foreign.
** Deposits are classified as financial assets at amortised cost.

The equity securities in investment funds are for the rehabilitation provisions and Eskom payment and infrastructure guarantees. The guarantees are provided to Eskom as a substitute for the deposits required by Eskom for infrastructure lines.

12.2 Movements in other financial assets

Non-current		
At the beginning of the year	4,309	6,667
Revaluations (Note 26)	149	68
Interest received	207	230
Management fees	(49)	-
Disposal of investment	(4,530)	(5,479)
Acquisition of investments	3,082	2,713
Foreign exchange differences	281	110
At the end of the year	**3,449**	**4,309**
Current		
At the beginning of the year	333	-
(Disposal) / acquisition of investments	(315)	333
Foreign exchange differences	20	-
At the end of the year	**38**	**333**

13. Cash and cash equivalents

Balances with banks	2,904	7,388
Bank overdrafts	(837)	(1,105)
	2,067	**6,283**
Restricted cash	26	24
	26	**24**

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2026	Group 2025

13. Cash and cash equivalents (continued)

The bank overdraft relates to an ABSA facility that was secured during the 2020 financial year, from ABSA Bank for $1.5 million (ZAR 24.9 million). The facility was reduced to $0.8 million (ZAR 13.6 million) as at 30 June 2026. 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 Uitkomst Colliery's trade receivables and a notarial bond over immovable assets ceded as security. The facility is subject to annual review.

Credit risk

Cash at bank earns interest at a floating rate based on daily bank deposit rates. Cash is deposited at highly reputable financial institutions of a high quality credit standing within Australia and the Republic of South Africa. The fair value of cash and cash equivalents approximates the values disclosed in this note due to their short-term nature.

14. Issued capital

14.1 Authorised and issued share capital

Issued		
844,925,202 (2025: 595,813,087) fully paid ordinary shares	1,158,605	1,107,698
	1,158,605	**1,107,698**
Share application money received	-	5,000
	1,158,605	**1,112,698**

Share reconciliation	**Number of shares**	**Number of shares**
Shares issued - beginning of the period	595,813,087	414,013,348
Issued during the year	249,112,112	181,799,739
Shares issued - closing	**844,925,199**	**595,813,087**

14.2 Additional disclosures

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

Share options granted

Share options granted under the Company's share option plan and performance rights granted in terms of the Company's performance right scheme plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in note 30.

Share application money received

Share application money pending allotment represents an amount of US$5,000,000 received for 23,939,547 shares that had not yet been formally issued during the prior year. This amount is presented within equity, as the company has no obligation to refund it. As at 30 June 2026, these shares have been formally issued.

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2026	Group 2025

15. Reserves

15.1 Classification of reserves

Capital profit reserves	91	91
Share based payment reserve	884	884
Conversion reserve	503	-
Foreign currency translation reserve	(42,257)	(49,081)
Total reserves	**(40,779)**	**(48,106)**

15.2 Detailed analysis of reserves

	Capital profit reserve	Foreign currency translation reserve	Conversion reserve	Share based payment reserve	Total
2026					
Opening balance	91	(49,081)	-	884	(48,106)
Equity component of convertible promissory notes issued (Note 19)	-	-	503	-	503
Exchange differences on translating foreign operations (OCI)	-	6,824	-	-	6,824
Balance at end of the year	**91**	**(42,257)**	**503**	**884**	**(40,779)**

	Capital profit reserve	Foreign currency translation reserve	Conversion reserve	Share based payment reserve	Total
2025					
Opening balance	91	(51,295)	-	1,715	(49,489)
Performance rights expired	-	-	-	(831)	(831)
Exchange differences on translating foreign operations (OCI)	-	2,214	-	-	2,214
Balance at end of the year	**91**	**(49,081)**	**-**	**884**	**(48,106)**

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2026	Group 2025

15. Reserves (continued)

15.3 Nature and purpose of reserves

Capital profit reserve

The capital profits reserve contains capital profits derived during previous financial years. The capital profit reserve (91) is a historical reserve for capital profits realised in earlier years, kept separately for historical (pre-1998 Corporations Law) distribution purposes.

Share-based payment reserve

Share based payment reserve represent the value of unexercised share options and performance rights to directors and employees. It also includes a share based payment reserve in Uitkomst Colliery issued in terms of the Financial Reporting Pronouncement 2: Accounting for Black Economic Empowerment (BEE) Transactions under IFRS Accounting Standards charges which is a requirement in South Africa.

Foreign currency translation reserve

The foreign currency translation reserve records the foreign currency differences arising from the translation of operations into presentation currency.

Conversion reserve

The conversion reserve comprises the equity component of the convertible promissory notes issued to Kinetic Development Group Limited and Eagle Canyon International Group Holding (Hong Kong) Limited, being the residual value of the holders' option to convert the outstanding note balances into ordinary shares of the Company at US$0.2089 per share. The reserve is measured at the amount determined on initial recognition of each note, translated at the spot rate ruling on the date of the drawdown, and is not subsequently remeasured. On exercise of the conversion option the reserve is transferred to share capital, and where the notes are repaid in cash the reserve is transferred to retained earnings.

16. Provisions

16.1 Provisions comprise:

Provision for leave pay	147	434
Other provisions	26,253	6,739
	26,400	**7,173**
Provision for demobilisation	69	-
Other provisions	26,253	6,739
Non-current portion	**26,322**	**6,739**
Provisions for employee benefits	147	434
Current portion	**147**	**434**
	26,469	**7,173**

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000

16. Provisions (continued)

16.2 Other provisions

	Biodiversity offset provision	Rehabilitation provision	Water use license provision	Total
Balance at 1 July 2025	**2,411**	**2,020**	**2,308**	**6,739**
Unwinding of discount (Refer to note 28)	154	245	-	399
Change in assumptions on rehabilitation provisions*	-	18,221	-	18,221
Foreign exchange	191	668	183	1,042
Provision repaid	(148)	-	-	(148)
Balance at 30 June 2026	**2,608**	**21,154**	**2,491**	**26,253**

	Biodiversity offset provision	Rehabilitation provision	Water use license provision	Total
Balance at 1 July 2024	**2,214**	**4,237**	**2,249**	**8,700**
Unwinding of discount (Refer to note 28)	135	377	-	512
Change in assumptions on rehabilitation provisions*	-	(2,563)	-	(2,563)
Foreign exchange	62	(31)	59	90
Balance at 30 June 2025	**2,411**	**2,020**	**2,308**	**6,739**

*The change in assumptions regarding rehabilitation provisions was allocated as follows: $17.8 million (2025 $1.6 million) to property, plant, and equipment (Note 5) and the remaining portion recognised in profit or loss.

16.3 Details of other provisions

Biodiversity offset provision

The Biodiversity offset agreement (BOA) was signed by the Department of Environmental Affairs (DEA), South African National Parks Board and the Company to the value of $3.0 million (ZAR55 million) over a 25 year period. The BOA commits the Company to pay $3.0 million (ZAR55 million) to the South African National Parks Board over a period of 25 years. The following payment arrangement has been agreed:

Phase 1 – ZAR2 million paid in 2015
Phase 2 – ZAR15 million from year 2016 to 2021 (*ZAR2.5 million annually)
Phase 3 – ZAR13 million from year 2022 to 2028 (*ZAR1.8 million annually)
Phase 4 – ZAR13 million from 2029 to 2033 (*ZAR2.6 million annually)
Phase 5 – ZAR12 million from 2034 to 2038 (*ZAR2.4 million annually)

*For the purpose of the present value calculation, these payments per phase have been estimated as annual payments and discounted at a rate of 6%.

Rehabilitation provision

The rehabilitation provision represents the current cost of environmental liabilities as at the respective year end. An annual estimate of the quantum of closure costs is necessary in order to fulfil the requirements of the DMRE, as well as meeting specific closure objectives outlined in the mine's Environmental Management Programme (EMP).

Although the ultimate amount of the obligation is uncertain, the fair value of the obligation is based on information that is currently available. This estimate includes costs for the removal of all current mine infrastructure and the rehabilitation of all disturbed areas to a condition as described in the EMP. The period assumed in the calculation of the present value of the obligation is the shorter of the remaining period of the mining license and the aggregate of the construction period of the mine and the total estimated LOM.

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2026	Group 2025

16. Provisions (continued)

The current estimate available is inflated by the long-term South African inflation rate of 5% annually and the discount rates applied to establish the current obligations are the annual 10 year South Africa government bond rate at 30 June 2026 of 8.45% (2025: 9.95%) for the provision raised during the 2026 year.

Due to the changes in assumptions the Vele Colliery, the Makhado Project and Uitkomst Colliery had an increase in the present value of the environmental obligation during 2026. The GSP is still in Exploration phase and no formal decision to mine is currently in place. During the year the period over which the Makhado Project (Baobab) obligation is discounted was changed from the estimated life of mine based on coal reserves to the remaining term of the mining right, which is now the shorter of the two; the resulting increase in the provision is included in the change in assumptions above.

Water use license provision

The Group is required to hold a water use license in compliance with environmental and regulatory requirements for its mining operations. In line with AASB 137 – Provisions, Contingent Liabilities, and Contingent Assets, a provision has been recognised for anticipated costs associated with the acquiring and ensuring ongoing compliance and environmental rehabilitation linked to this license. The provision reflects the estimated costs of establishing the right to use and to restore water resources impacted by the Group's activities, based on current regulations. As these costs are expected to be incurred within the next 13 months, discounting was deemed immaterial.

17. Trade and other payables

Trade and other payables comprise:

Trade creditors	8,267	4,500
Accrued liabilities	4,437	2,668
Other payables	441	1,221
Value added tax - Non-financial instrument	1,020	715
Total trade and other payables	**14,165**	**9,104**

The average credit period is 30 days.

18. Lease liabilities

18.1 Lease liabilities comprise:

Lease obligation	971	1,650
Non-current liabilities	645	988
Current liabilities	326	662
	971	**1,650**

The movement in the lease liabilities is as follows:

Balance at beginning of the year	1,650	2,272
Modification*	2	(18)
Additions	257	-
Interest	196	252
Repayments	(685)	(764)
Terminations	(586)	(137)
Foreign exchange differences	137	45
Balance at end of year	**971**	**1,650**

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2026	Group 2025

18. Lease liabilities (continued)

The maturity of the Group's undiscounted lease payments is as follows:		
Not later than one year	726	705
Later than one year and not later than two years	152	630
Later than two years and not later than three years	138	99
Later than three years and not later than four years	144	86
Later than four years and not later than five years	152	91
Later than five years	941	796
	2,253	2,407
Less future finance charges	(1,282)	(757)
Present value of minimum lease payments	**971**	**1,650**

*Relates to a change in the interest rate and/or lease term.

18.2 Amounts recognised in the consolidated statement of financial position

The Group leases various assets including land, buildings, plant and machinery and vehicles.

Right-of-use assets		
Land	587	356
Buildings	201	369
Machinery	70	183
Motor vehicles	-	418
	858	**1,326**
The movement in the right-of-use assets is as follows:		
Balance at beginning of the year	1,326	1,965
Depreciation (Refer to note 18.3 per class of asset)	(426)	(557)
Additions	257	-
Modification	2	(18)
Disposal	(389)	(103)
Foreign exchange differences	88	39
Balance at end of the year	**858**	**1,326**

18.3 Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

Depreciation		
Land and buildings	158	188
Machinery	124	166
Motor vehicles	144	203
Other expenses		
Interest expense	196	247
Short term lease expenses	148	145

19. Borrowings

Environmental And Process Technologies (Pty) Ltd	23,527	-
Industrial Development Corporation of South Africa Limited	9,744	11,288
Eagle Canyon International Group Holding (Hong Kong) Limited	1,732	-
Kinetic Development Group Limited	3,609	-
ABSA Instalment sale agreements	23	45
	38,635	**11,333**

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2026	Group 2025
19. Borrowings (continued)		
Movement in borrowings		
Balance at beginning of the year	11,333	17,545
Loans raised during the year	5,736	2,527
Loans raised — non-cash: coal handling and preparation plant acquired under vendor financing	23,342	-
Repayments	(2,466)	(9,553)
Conversion Reserve	(503)	-
Interest accrued	203	336
Foreign exchange differences	990	478
Balance at end of year	**38,635**	**11,333**
Non-current portion of borrowings	8	26
Current portion of borrowings	38,627	11,307
	38,635	**11,333**

19.2 Additional disclosures

Industrial Development Corporation of South Africa Limited

The original loan facilities extended to Baobab in terms of agreements entered into in or around March 2017 and August 2020 with the IDC, have been superseded by a Settlement Agreement entered into in March 2025. In terms of the Settlement Agreement no further interest accrues on the IDC loans and Baobab has repaid the loan in terms of the repayment programme extending to March 2026. In FY2026, the Company made further repayments totalling ZAR40 million in terms of the settlement agreement, including ZAR 20 million during the quarter ended 31 March 2026. The remaining portion remains to the capital portion of the loan which is convertable to equity shares to the IDC in future, pending fulfilment of conditions precedent to the Settlement Agreement. The capital outstanding as at 30 June 2026 was $9.7 million (2025: Capital and interest of $11.3 million).

Kinetic Development Group Limited and Eagle Canyon International Group Holding (Hong Kong) Limited

The Group has unsecured convertible promissory note funding arrangements with Kinetic Development Group Limited and Eagle Canyon International Group Holding (Hong Kong) Limited, under which the investors have committed US$6.136 million and US$3.800 million respectively, an aggregate principal amount of US$9.936 million. The notes may be drawn by the Company in one or more tranches from signing until 30 September 2026, subject to extension by the relevant investor in writing, and each drawdown requires investor's approval of the specific use of funds. Each note matures twelve months from the date funds were first received from the relevant investor, to the extent not converted. Interest accrues on the outstanding principal at the Reserve Bank of Australia's publicly quoted outstanding business loan rate for medium business plus a margin of 3.00% per annum, compounded monthly in arrears on a 365-day basis.

The notes are unsecured and rank pari passu with all other unsecured indebtedness of the Group. Each investor may elect to convert all or part of the outstanding principal, together with accrued interest, into new fully paid ordinary shares in the Company at US$0.2089 per share, subject to customary adjustments and receipt of all necessary shareholder and regulatory approvals.

Environmental And Process Technologies (Pty) Ltd

The Group has a long-term vendor financing arrangement with Environmental and Process Technologies (Pty) Ltd (Enprotec) for the coal handling and preparation plant at the Makhado Project. The loan is repayable in 60 monthly instalments and bears interest at the South African prime lending rate plus 2%, compounded monthly.

The agreement stipulates that the liability must be secured by two on-demand guarantees totalling R101.7 million ($6.2 million), and ownership of the plant remains with the funder until the funded balance is settled. The financial repayment & gaurantee related covenants are assessed semi-annually. The outstanding value of the loan payable may immediately become due and payable in the event of an unremedied payment default (14 days after notice), failure to issue and maintain the required guarantees, insolvency or termination of the agreement.

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2026	Group 2025

19. Borrowings (continued)

At the reporting date, the Group was in breach of the covenant requiring both guarantees to be established within 30 days of the effective date. The first guarantee was established in August 2026 and the second is in the process of being established. Because Enprotec has the right to recall the funds immediately, the full outstanding loan balance of $23.3 million has been classified as a current liability. Enprotec has not exercised this right as of the date of approval of these consolidated financial statements. At 30 June 2026 the Group was in compliance with all other covenant requirements. The Group is aware of certain facts or circumstances that indicate that it may have difficulty complying with the covenants within 12 months after the reporting period.

20. Revenue

Revenue for the year ended 30 June 2026 was generated solely from coal sales by the Uitkomst Colliery, as operations at the Vele Colliery ceased prior to the current financial year.

20.1 Revenue comprises:

Sale of coal	7,447	17,452
Total revenue	**7,447**	**17,452**

20.2 Disaggregation of revenue from contracts with customers

	Sale of coal	Total
Revenue per geographical region		
2026 - South Africa	7,447	**7,447**
Revenue per geographical region		
2025 - South Africa	17,452	**17,452**

21. Cost of sales

Cost of sales comprise:		
Employee costs	6,299	9,357
Security	282	316
Inventory movement / (write-down reversal)	141	(61)
Mining expense	2,068	3,325
Human Resources	941	1,783
Training	-	105
Wash plant	207	436
Production overheads	1,038	1,453
Environmental	126	137
Logistics	6	-
Utilities	1,111	1,370
Engineering	2,495	3,685
Safety	218	358
Depreciation	584	1,711
Royalties	59	108
Total cost of sales	**15,575**	**24,083**

22. Other operating income

Other operating income comprises:		
Scrap sales	12	8
Sundry income	247	118
Rent received	10	-
Total other operating income	**269**	**126**

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2026	Group 2025

23. Reversal of credit losses

Reversal of expected credit losses on trade receivables	(1)	(343)

The current year reversal of expected credit losses is not material. The prior year amount of $0.3 million represented the reversal of an allowance on a long outstanding receivable that was recovered during that year. Refer to note 10 for further details.

24. Administrative expenses

Administrative expenses comprise:

Employee expense	2,824	3,382
Professional fees	1,081	762
Legal expenses	102	124
Other overheads	5,465	2,301
Depreciation	327	337
Total administrative expenses	**9,799**	**6,906**

Included in administrative expenses is auditors' remuneration as follows:

Remuneration for audit and review of the financial report:

Forvis Mazars - South Africa	224	226
Forvis Mazars - Australia	65	43
	289	**269**

25. Impairment expense

Impairment of assets	-	24,328

The impairment of assets in the 2025 year arose as a result of the following:

• Impairment of Uitkomst mining right amounting to $12.3 million.
• Impairment of identified areas of the GSP prospecting rights amounting to $12 million. Refer to note 5.1 for further detail.

26. Other gains and losses

Other gains and losses comprise:

Loss on disposal of assets	(473)	(2)
Foreign exchange (loss)/gain		
- Unrealised	18	122
- Realised	208	(214)
Revaluation of investments	149	42
Other	273	62
Total other gains and losses	**175**	**10**

27. Finance income

Finance income comprises:

Interest income from financial instruments:		
Interest income	548	715

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2026	Group 2025
28. Finance costs		
Finance costs included in profit or loss:		
Interest on borrowings	20	336
Unwinding of discount from provisions	399	513
Interest on leases	196	247
Interest on bank and third parties	240	486
Total finance costs	**855**	**1,582**
29. Income tax credit		
29.1 Income tax recognised in profit or loss:		
Current tax		
Current year	-	-
Deferred tax		
Current year deferred tax	-	(2,269)
Total income tax expense	**-**	**(2,269)**

The Group's effective tax rate for the year was 0% (2025:5.9%). The tax rate used for the 2026 and 2025 reconciliations below is the corporate tax rate of 30% for Australian companies.

29.2 The income tax for the year can be reconciled to the accounting loss as follows:		
Loss before tax from operations	(17,789)	(38,253)
Income tax calculated at 30.0%	(5,337)	(11,476)
Tax effect of		
- Expenses that are not deductible for tax purposes*	124	8,573
- Differences in tax rates	(1,830)	(986)
- Income not taxable	(1,118)	(34)
- Unrecognised deferred tax asset	8,161	1,654
Tax charge	**-**	**(2,269)**

* Non-deductible expenses relate to legal expenses, share based payment expenses, foreign exchange differences and interest not deductible.

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2026	Group 2025

30. Share-based payments

Employee share option plan

The Group maintained certain Employee Share Option Plans ('ESOP's') for executives and senior employees of the Group as per the rules approved by shareholders on 30 November 2009. In accordance with the terms of the schemes, eligible executives and senior employees may be granted options to purchase ordinary shares. There were no share-based payments existing under the ESOP at 30 June 2026 and 30 June 2025.

Performance Rights Plan

The Performance Rights factor in a hurdle rate based on the compound annual growth rate of total shareholder return across the period from the grant date. No performance rights or options were granted, vested, exercised or outstanding during the year ended 30 June 2026. The 8,000,000 options outstanding at 30 June 2024 lapsed on 25 September 2024.

Movement in options

Options outstanding at beginning of the year	-	8,000,000
Options expired	-	(8,000,000)
Outstanding at the end of the period	**-**	**-**

31. Earnings per share

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Basic loss per share (cents)	2.37	7.06
Loss for the year attributable to owners of the company	(17,264)	(35,681)
Earnings used in the calculation of basic earnings per share	**(17,264)**	**(35,681)**
Weighted number of ordinary shares	**'000**	**'000**
Weighted average number of ordinary shares used in the calculation of basic earnings per share	728,860	505,850

Diluted earnings per share

Diluted loss per share is calculated by dividing 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 diluted ordinary shares that would be issued on conversion of all the dilutive ordinary shares into ordinary shares.

At 30 June 2026 the Group had outstanding convertible promissory notes issued to Kinetic Development Group Limited and Eagle Canyon International Group Holding (Hong Kong) Limited which are convertible, at the election of the relevant investor, into ordinary shares of the Company at US$0.2089 per share (note 19). These notes represent potential ordinary shares. Because the Group incurred a loss in the current and prior years, conversion of the notes would reduce the loss per share and the potential ordinary shares are therefore antidilutive. They have accordingly been excluded from the calculation of diluted loss per share, and diluted loss per share equals basic loss per share for both years. The notes could dilute basic earnings per share in future periods.

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2026	Group 2025

31. Earnings per share (continued)

Headline earnings per share (in line with JSE requirements)

The calculation of headline loss per share at 30 June 2026 was based on the headline loss attributable to ordinary equity holders of the Company of $17 million (2025: $11.4 million) and a weighted average number of ordinary shares outstanding during the period ended 30 June 2026 of 728,860,255 (2025: 505,849,773).

The earnings and weighted average number of ordinary shares used in the calculation of headline earnings per share are as follows:

Loss for the year attributable to owners of the company	(17,264)	(35,681)
Impairment expense (refer note 25)	-	24,328
Loss on disposal of property, plant and equipment (refer note 26)	473	-
Total tax effects of adjustments*	-	-
Total non-controlling interest effects of adjustments*	-	-
Earnings used in the calculation of headline earnings per share	**(16,791)**	**(11,353)**
Total headline earnings per share (cents)	**(2.31)**	**(2.25)**

The impairment expense for the current and prior financial years had no tax or non-controlling interest impact on the headline earnings per share.

32. Segment information

32.1 General information

The accounting policies of the reportable segments are the same as those described in note 2, accounting policies.

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

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.

In order to reconcile the segment results with the consolidated statement of profit or loss and other comprehensive income, corporate results should be taken into account (as per the reconciliation noted).

For personal use only

32. Segment information (continued)

32.2 Segments

	Exploration	Development	Mining	Total
Year ended 30 June 2026				
Revenue by signifcant customer	-	-	7,447	**7,447**
Flamite (Pty) Ltd	-	-	3,484	3,484
Glencore SA Ltd	-	-	2,383	2,383
Other	-	-	1,580	1,580
Cost of sales	-	-	(15,575)	**(15,575)**
- Salaries	-	-	-	**-**
- Other costs	-	-	(15,575)	**(15,575)**
Gross loss	**-**	**-**	**(8,128)**	**(8,128)**
Other income	-	-	213	**213**
Reversal of expected credit losses			1	**1**
Other operating gains /(losses)	-	40	(199)	**(159)**
Administrative expenses	(12)	(3,050)	(1,305)	**(4,367)**
- Salaries	-	(750)	(71)	**(821)**
- Other costs	(12)	(2,300)	(1,234)	**(3,546)**
Operating loss	**(12)**	**(3,010)**	**(9,418)**	**(12,440)**
Interest income	-	102	38	**140**
Finance costs	-	(44)	(737)	**(781)**
Loss before tax	**(12)**	**(2,952)**	**(10,117)**	**(13,081)**
Income tax credit	-	-	-	**-**
Segment net loss after tax	**(12)**	**(2,952)**	**(10,117)**	**(13,081)**
Segment assets	19,693	138,062	28,608	186,363
Items included in the Group's measure of segment assets				
- Addition to non-current assets	-	67,839	1,407	69,246
Segment liabilities	(360)	(54,756)	(19,632)	(74,748)

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2026	Group 2025

32. Segment information (continued)

32.2 Segments (continued)

	Exploration	Development	Mining	Total
Year ended 30 June 2025				
Revenue	-	-	17,452	**17,452**
Cost of sales	-	-	(24,083)	**(24,083)**
- Salaries	-	-	(9,357)	**(9,357)**
- Other costs	-	-	(14,726)	**(14,726)**
Gross loss	**-**	**-**	**(6,631)**	**(6,631)**
Other income	-	-	106	**106**
Reversal of expected credit losses	-	-	343	**343**
Other operating gains	-	23	54	**77**
Net Impairment expense	(11,985)	-	(12,343)	**(24,328)**
Administrative expenses	(18)	(1,530)	(366)	**(1,914)**
- Salaries	-	(689)	(244)	**(933)**
- Other costs	(18)	(841)	(122)	**(981)**
Operating loss	**(12,003)**	**(1,507)**	**(18,837)**	**(32,347)**
Interest income	-	127	103	**230**
Finance costs	-	(365)	(888)	**(1,253)**
Loss before tax	**(12,003)**	**(1,745)**	**(19,622)**	**(33,370)**
Income tax credit	-	-	2,269	**2,269**
Segment net loss after tax	**(12,003)**	**(1,745)**	**(17,353)**	**(31,101)**
Segment assets	22,523	57,491	19,900	99,914

The Group has two external customers with sales exceeding 10% of total revenue. Both customers relate to the Mining segment.

Items included in the Group's measure of segment assets

- Addition to non-current assets	-	18,780	620	19,400
Segment liabilities	(339)	(17,301)	(12,749)	(30,389)

32.3 Reconciliations

Reconciliations of the total segment amounts to respective items included in the consolidated financial statements are as follows:

32.3.1 Total loss for reportable segment

Segment profit or loss as reported	(13,081)	(31,101)
Other operating income	48	17
Other operating (losses)/gains	334	(69)
Administrative expenses	(5,424)	(4,991)
Interest income	408	486
Finance costs	(74)	(326)
Group loss after tax	**(17,789)**	**(35,984)**

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2026	Group 2025

32. Segment information (continued)

32.3.2 Total segment assets

Segment total assets as reported	186,363	99,914
Unallocated property, plant and equipment	5,526	5,095
Unallocated other financial assets	1,603	1,403
Unallocated current assets	2,832	7,938
Unallocated exploration and evaluation assets	4,629	300
Unallocated right-of-use assets	200	273
Restricted cash	26	24
Group total assets	**201,179**	**114,947**

32.3.3 Total liabilities

Segment total liabilities as reported	(74,748)	(30,389)
Unallocated liabilities	(7,798)	(1,350)
Group total liabilities	**(82,546)**	**(31,739)**

The Group operates in two principal geographical areas – Australia (country of domicile) and South Africa (country of operations).

32.3.4 Revenue by location of operations

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

South Africa	7,447	17,452
Group revenue by location of operations	**7,447**	**17,452**

32.3.5 Non-current assets by location of operations

South Africa	182,243	93,326
Total non-current assets	**182,243**	**93,326**

33. Related parties

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

Short-term employee benefits	690	713
Termination benefits	-	518
	690	**1,231**

The Group has not provided any of its key management personnel with loans. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Mathews Senosi is a non-executive director of MC Mining and owns 121 million ordinary shares (2025: 95.4 million), representing 14.3% (2025: 16.0%) in the Company.

Christine (Yi) He served as the Managing Director and Chief Executive Officer of MC Mining until 29 July 2026 and is currently a non-executive director of MC Mining and owns 36.9 million ordinary shares (2025: 36.9 million), representing 4.4% as at 30 June 2026 (2025: 6.2%) in the Company.

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000

33. Related parties (continued)

The Group entered into a 5 year lease agreement in August 2022 to rent office space from CR1-Eagle Investment (Pty) Ltd. CR1-Eagle Investment (Pty) Ltd is owned by Christine He. The monthly rental per lease agreement is R250,000 ($14,791) per month, with a 6% escalation each year on the 1st of July. The total lease liability at 30 June 2026 amounts to R3.9 million ($0.24 million).

The Group has unsecured convertible promissory note funding arrangements with Eagle Canyon International Group Holding (Hong Kong) Limited, an entity associated with Ms Yi (Christine) He. Under the facility, Eagle Canyon International Group Holding (Hong Kong) Limited has committed total funding of US$3.8 million. As at 30 June 2026, MC Mining had drawn US$1.9 million under the facility. Interest accrues on the outstanding principal at the Reserve Bank of Australia's publicly quoted outstanding business loan rate for medium business plus a margin of 3.00% per annum, compounded monthly in arrears on a 365-day basis.

Kinetic Development Group Limited (KDG) is the ultimate parent company of the Group and held 51% of the issued share capital of MC Mining Limited as at 30 June 2026. The Group has unsecured convertible promissory note funding arrangements with KDG, under which KDG has committed total funding of US$6.136 million. As at 30 June 2026, MC Mining had drawn US$3.89 million under the facility. Interest accrues on the outstanding principal at the Reserve Bank of Australia's publicly quoted outstanding business loan rate for medium business plus a margin of 3.00% per annum, compounded monthly in arrears on a 365-day basis.

34. Events after the reporting date

The following events occurred after 30 June 2026 and up to the date of authorisation of these consolidated financial statements. None of them provides evidence of conditions that existed at the reporting date, and accordingly no adjustment has been made to the amounts recognised or disclosed at 30 June 2026.

Change in executive leadership

On 29 July 2026 Ms Yi (Christine) He resigned as Managing Director and Chief Executive Officer and continued in office as a Non-Executive Director. The Chairman, Mr Jianheng (Albert) Deng, was appointed Interim Chief Executive Officer and Managing Director from the same date, pending appointment of a substantive Chief Executive Officer, and receives no additional remuneration for the interim role. There is no financial effect on the Group.

Further capital support from Kinetic Development Group Limited

On 13 August 2026 the Company entered into agreements with its controlling shareholder, Kinetic Development Group Limited (KDG), for capital support of up to US$16,000,000: an unsecured bridge loan of US$8,000,000 bearing interest at the Reserve Bank of Australia's outstanding business loan rate for medium business plus 3.00% per annum and repayable three months after drawdown, and a subscription for 76,591,672 ordinary shares for US$16,000,000 in two equal tranches at US$0.2089 per share. The first tranche is settled by set-off against the bridge loan principal; the second is payable in cash and is conditional on the Makhado Project having commenced production.

Other than the matters set out 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.

35. Financial instruments

The Group’s Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Corporate Treasury forms part of the Finance function and reports quarterly to the Group’s audit and risk committee, that monitors risks and policies implemented to mitigate risk exposures.

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000		Group 2026	Group 2025

35. Financial instruments (continued)

35.1 Categories of financial instruments

The accounting policies for financial instruments have been applied to the line items below:

Financial assets	Note		
Trade and other receivables[1]	10	338	1,413
Cash and cash equivalents[1]	13	2,904	7,388
Restricted cash[1]	13	26	24
Other financial assets[1] [2]	12	3,487	4,642
Total financial assets		**6,755**	**13,467**
Financial liabilities			
Borrowings[1]	19	38,635	11,333
Bank overdraft[1]	13	837	1,105
Trade and other payables[1]	17	13,145	8,389
Leases[1]	18	971	1,650
Total financial liabilities		**53,588**	**22,477**

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

35.2 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 or inputs are 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 listed securities (note 12).

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. (note 12).

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 FVTPL (Fair Value Through Profit or Loss) during the year nor were any assets transferred between levels.

As at 30 June 2026	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	-	3,354	-	3,354
As at 30 June 2025	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at FVTPL	-	4,036	-	4,036

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000

35. Financial instruments (continued)

35.3 Market risk

35.3.1 Foreign exchange risk

Exposure

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Australian Dollar and the US Dollar. Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency. Most of the Group's purchases are denominated in SA Rand. However, certain items during the exploration, development and plant construction phase as well as long lead-capital items are denominated in US dollars, Euros, Pounds or Australian dollars. These have to be acquired by the South African operating company due to the South African Reserve Bank's Foreign Exchange Control Rulings. This exposes the South African subsidiary companies to changes in the foreign exchange rates.

The Group's cash deposits are largely denominated in the US dollar, Australian dollar and the SA rand. A foreign exchange risk arises from the funds deposited in US dollars and Australian dollars which will have to be exchanged into the functional currency for working capital purposes.

The Group generally does not enter into forward sales, derivatives or other hedging arrangements to manage this risk.

At financial year end, the financial instruments exposed to foreign currency risk movements are as follows:

30 June 2026	Held in GBP $'000	Held in AUD$'000	Held in USD $'000	Total
Financial assets				
- Cash and cash equivalents	-	41	2,118	2,159
- Trade and other receivables	8	-	-	8
Total financial assets	**8**	**41**	**2,118**	**2,167**
Financial liabilities				
- Trade and other payables	19	42	-	61
Total financial liabilities	**19**	**42**	**-**	**61**

30 June 2025	Held in GBP $'000	Held in AUD$'000	Held in USD $'000	Total
Financial assets				
- Cash and cash equivalents	-	349	1	350
- Trade and other receivables	8	-	-	8
Total financial assets	**8**	**349**	**1**	**358**
Financial liabilities				
- Trade and other payables	33	55	-	88
Total financial liabilities	**33**	**55**	**-**	**88**

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000

35. Financial instruments (continued)

35.3 Market risk (continued)

35.3.1 Foreign exchange risk (continued)

Sensitivity

The following table details the Group's sensitivity to a 25% (2025: 10%) increase and decrease in the US dollar against the relevant foreign currencies. 25% (2025: 10%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 25% (2025: 10%) change in foreign currency rates.

	Impact on post tax profit	
Judgements on reasonable possible movements	**2026**	**2025**
USD increase by 25% (2025: 10%)	567	33
USD decrease by 25% (2025: 10%)	(567)	(33)

The assumed 25% (2025: 10%) movement used in the foreign exchange sensitivity analysis is based on the currently observable market environment, which indicates a deterioration in foreign currencies relative to the reporting currency.

35.3.2 Interest rate risk management

Exposure

The Group's interest rate risk arises mainly from borrowings, cash and bank balances and restricted cash. The Group has variable interest rate borrowings. Variable rate borrowings expose the Group to cash flow interest rate risk. The Group has not entered into any agreements, such as hedging, to manage this risk.

The Group's borrowings and receivables are carried at amortised cost. The borrowings are periodically contractually repriced (see below) and to that extent are also exposed to the risk of future changes in market interest rates.

The following table summarises the sensitivity of the financial instruments held at the reporting date, following a movement in variable interest rates, with all other variables held constant. The sensitivities are based on reasonably possible changes over a financial period, using the observed range of actual historical rates.

Sensitivity

	Impact on post tax profit	
Judgements on reasonable possible movements	**2026**	**2025**
Increase of 2% (2025: 2%) in interest rate	(605)	(55)
Decrease of 2% (2025: 2%) in interest rate	605	55
Increase of 5.0% (2025: 5.0%) in interest rate	(1,512)	(138)
Decrease of 5.0% (2025: 5.0%) in interest rate	1,512	138

The impact is calculated on the net financial instruments exposed to variable interest rates as at the reporting date and does not take into account any repayments of short-term borrowings.

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2026	Group 2025

35. Financial instruments (continued)

35.4 Credit risk

Credit risk is the risk that a contracting entity will not complete its obligation under a financial instrument that will result in a financial loss to the Group. The carrying amount of financial assets represents the maximum credit exposure.

Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to credit losses is not significant.

The Group manages its credit risk by predominantly dealing with counterparties with a positive credit rating.

The credit risk on liquid funds are limited because the counterparties are banks with high credit-ratings assigned of BB- by international credit-rating agencies.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Other financial assets	3,487	4,642
Restricted cash	26	24
Trade and other receivables	338	1,414
Cash and cash equivalents	2,904	7,388
	6,755	**13,468**

Movement in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Balance at 1 July	1,589	1,979
Net remeasurement of loss allowance	(1)	(343)
Foreign exchange differences	127	(47)
Balance at 30 June	**1,715**	**1,589**

35.5 Liquidity risk

The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet financial commitments in a timely and cost effective manner. The Group's Executive continually reviews the liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

Maturities of financial liabilities

The contractual maturities of the Group's financial liabilities at the reporting date were as follows:

	Less than 12 months	Between 1 and 5 years	Over 5 years	Total
Year ended 30 June 2026				
Financial liabilities				
Trade and other payables (Note 17)	13,145	-	-	13,145
Lease liabilities (Note 18)	726	586	941	2,253
Bank overdraft (Note 13)	837	-	-	837
Borrowings (Note 19)	43,928	15	-	43,943
	58,636	**601**	**941**	**60,178**

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2026	Group 2025

35. Financial instruments (continued)

35.5 Liquidity risk (continued)

Maturities of financial liabilities (continued)

	Less than 12 months	Between 1 and 5 years	Over 5 years	Total
Year ended 30 June 2025				
Financial liabilities				
Trade and other payables (Note 17)	8,389	-	-	8,389
Bank overdraft (Note 13)	1,105	-	-	1,105
Lease liabilities (Note 18)	705	906	796	2,407
Borrowings (Note 19)	11,316	17	-	11,333
	21,515	**923**	**796**	**23,234**

36. Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt (net of cash) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests).

The Group is not subject to any externally imposed capital requirements.

The Group's Board reviews the capital structure of the Group on a quarterly basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The Board's target gearing ratio, determined as the proportion of net debt to equity, is 20%.

Gearing increased during the year from 5% to 30%, principally as a result of the vendor financing arrangement entered into in respect of the Makhado coal handling and preparation plant (note 19) and drawdowns under the convertible promissory note facilities, offset in part by the equity raised on completion of the KDG subscription. Gearing at 30 June 2026 is above the Board's target. The Board expects the ratio to reduce as the Enprotec facility is repaid over its 60-month term and as Makhado generates operating cash flows, and monitors the position quarterly as part of its review of the capital structure. The Group is not subject to any externally imposed capital requirements.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions.

Balances of managed capital

Net debt (1)	35,731	3,945
Equity (2)	118,653	83,208
Debt to equity ratio	30%	5%

1. Debt is defined as long-term and short-term borrowings as described in note 19 less unrestricted cash and cash equivalents.
2. Equity includes all capital and reserves of the Group that are managed as capital.

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2026	Group 2025
37. Cash flow information		
37.1 Cash used in operations		
Loss before tax	**(17,789)**	**(38,253)**
Adjustments for:		
Finance income	(548)	(715)
Finance costs	855	1,581
Depreciation and amortisation	937	1,444
Impairment loss	-	24,328
Loss on disposal of property, plant and equipment	563	-
Management fees on other financial assets	49	-
Movement in expected credit losses	(1)	(343)
Re-valuation of investments	(115)	(70)
Right-of-use termination	(197)	-
Inventory write-off/(reversal)	141	(61)
Movement in provisions	332	(1,178)
Foreign exchange losses	226	(92)
Provisions paid	(280)	-
Change in operating assets and liabilities:		
Adjustments for decrease / (increase) in inventories	581	(122)
Adjustments for decrease / (increase) in trade accounts receivable	1,007	(920)
Adjustments for increase in trade payables	5,061	2,765
Net cash flows from operations	**(9,178)**	**(11,636)**
37.2 Non-cash transactions		
The following transactions did not involve the use of cash or cash equivalents and are excluded from the statement of cash flows:		
Coal handling and preparation plant acquired under vendor financing (notes 5 and 19)	23,342	-
Rehabilitation asset capitalised on remeasurement of the provision (notes 5 and 16)	17,798	(1,574)
Share application money applied on allotment of ordinary shares (note 14)	5,000	-
38. Income tax paid		
Amounts payable at the beginning of the year	(264)	(257)
Amounts payable at the end of the year	284	264
Foreign exchange movement	(20)	(7)
	-	**-**

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000

39. Contingencies and commitments

Contingent liabilities

As at 30 June 2026, the Group had commitments of US$3,285 thousand relating to the social and labour plans of its South African mining subsidiaries. These are in addition to the amounts provided for in the consolidated statement of financial position.

Commitments

In addition to the commitments of the parent entity as disclosed under note 41, subsidiary companies have typical financial commitments associated with their MRs (Mining Rights) granted by the South African DMRE.

40. Controlled entities

Particulars in relation to controlled entities

	Country of incorporation	30 June 2026 %	30 June 2025 %
Tshikunda Mining Proprietary Limited******	South Africa	100	100
Bakstaan Boerdery Proprietary Limited*	South Africa	100	100
Baobab Mining & Exploration Proprietary Limited**	South Africa	93	93
Chapudi Coal Proprietary Limited ***	South Africa	100	100
Coal of Africa & ArcelorMittal Analytical Laboratories Proprietary Limited****	South Africa	50	50
Cove Mining NL	Australia	100	100
Fumaria Property Holdings Proprietary Limited	South Africa	100	100
Golden Valley Services Proprietary Limited	Australia	100	100
GVM Metals Administration (South Africa) Proprietary Limited	South Africa	100	100
Harrisia Investments Holdings Proprietary Limited	South Africa	100	100
Kwezi Mining Exploration Proprietary Limited ***	South Africa	100	100
Limpopo Coal Company Proprietary Limited	South Africa	100	100
Makhado Centre of Learning NPC**	South Africa	100	100
MbeuYashu Proprietary Limited******	South Africa	100	100
Nyambose Mining Proprietary Limited	South Africa	100	100
Pan African Resources Coal Holdings Proprietary Limited*****	South Africa	100	100
Regulus Investment Holdings Proprietary Limited	South Africa	100	100
Silkwood Trading 14 Proprietary Limited	South Africa	100	100
Uitkomst Colliery Proprietary Limited*****	South Africa	100	100
MC Mining South Africa Proprietary Limited	South Africa	100	100

* Subsidiary company of Fumaria Property Holdings Proprietary Limited
** 67% on completion of the Makhado Project BBBEE transactions
*** Subsidiary companies of MbeuYashu Proprietary Limited
**** The Group has rights to the assets, liabilities, revenue and expenses of Coal of Africa & ArcelorMittal Analytical Laboratories (Pty) Ltd, its direct share is jointly held and accounted for as a joint operation. The company is currently dormant.
*****PARCH is considered a 100% shareholder of Uitkomst through 84% shareholding and 100% voting rights. The other 16% shareholding is held by minority shareholders who do not hold voting rights.
****** Although the Group holds less than 100% of the equity interests in certain subsidiaries (Tshikunda Mining Proprietary Limited and MbeuYashu Proprietary Limited), the non-controlling shareholders do not have voting rights. Accordingly, the Group is deemed to have 100% of the voting rights and exercises full control over these subsidiaries.

For personal use only

Notes to the Consolidated Financial Statements

Figures in US$ `000

41. Parent entity financial information

Summary financial information	2026	2025
Non-current assets	397,445	321,334
Current assets	2,302	475
Total assets	399,747	321,809
Current liabilities	8,662	2,720
Total liabilities	8,662	2,720
Net assets	391,760	319,089
Shareholders' Equity		
Issued capital	819,680	716,119
Accumulated deficit and reserves	(427,920)	(396,007)
	391,760	320,112
Loss for the year	(674)	(1,022)
Total comprehensive loss	(674)	(1,022)

Contingencies and commitments

- MC Mining has subordinated all loans to subsidiary companies
- MC Mining has provided surety for the IDC borrowing facility entered into by Baobab (refer note 19)

For personal use only

MC Mining Limited

Tenements held by MC Mining and its Controlled Entities

Project Name	Tenement Number	Location	Interest
Chapudi	Albert 686 MS	Limpopo~	74%
	Bergwater 712 MS		74%
	Remaining Extent and Portion 2 of Bergwater 697 MS		74%
	Blackstone Edge 705 MS		74%
	Remaining Extent & Portion 1 of Bluebell 480 MS		74%
	Remaining Extent & Portion 1 of Bushy Rise 702 MS		74%
	Castle Koppies 652 MS		74%
	Chapudi 752 MS		74%
	Remaining Extent, Portions 1, 3 & 4 of Coniston 699 MS		74%
	Driehoek 631 MS		74%
	Remaining Extent of Dorps-rivier 696 MS		74%
	Enfield 512 MS (consolidation of Remaining Extent of Enfield 474 MS, Brosdoorn 682 MS & Remaining Extent of Grootvlei 684 MS)		74%
	Remaining Extent and Portion 1 of		74%
	Grootboomen 476 MS		74%
	Grootvlei 684 MS		74%
	Kalkbult 709 MS		74%
	Remaining Extent, Remaining Extent of Portion 2, Remaining Extent of Portion 3, Portions 1, 4, 5, 6, 7 & 8 of Kliprivier 692 MS		74%
	Remaining Extent of Koodoobult 664 MS		74%
	Koschade 657 MS (Was Mapani Kop 656 MS)		74%
	Malapchani 659 MS		74%
	Mapani Ridge 660 MS		74%
	Melrose 469 MS		74%
	Middelfontein 683 MS		74%
	Mountain View 706 MS		74%
	M'tamba Vlei 654 MS		74%
	Remaining Extent & Portion 1 of Pienaar 635 MS		74%
	Remaining Extent & Portion 1 of Prince's Hill 704 MS		74%
	Qualipan 655 MS		74%
	Queensdale 707 MS		74%
	Remaining Extent & Portion 1 of Ridge End 662 MS		74%
	Remaining Extent & Portion 1 of Rochdale 700 MS		74%
	Sandilands 708 MS		74%
	Portions 1 & 2 of Sandpan 687 MS		74%
	Sandstone Edge 658 MS		74%
	Remaining Extent of Portions 2 & 3 of Sterkstroom 689 MS		74%
	Sutherland 693 MS		74%
	Remaining Extent & Portion 1 of Varkfontein 671 MS		74%
	Remaining Extent, Portion 2, Remaining Extent of Portion 1 of Vastval 477 MS		74%
	Vleifontein 691 MS		74%
	Ptn 3, 4, 5 & 6 of Waterpoort 695 MS		74%
	Wildebeesthoek 661 MS		74%
	Woodlands 701 MS		74%

For personal use only

The supplementary information presented does not form part of the annual financial statements and is unaudited

MC Mining Limited

Tenements held by MC Mining and its Controlled Entities

Project Name	Tenement Number	Location	Interest
Kanowna West & Kalbara	M27/41	Coolgardie^	Royalty<>
	M27/47		Royalty<>
	M27/59		Royalty<>
	M27/72,27/73		Royalty<>
	M27/114		Royalty<>
	M27/196		Royalty<>
	M27/181		5.99%
	M27/414,27/415		Royalty<>
	P27/1826-1829		Royalty<>
	P27/1830-1842		Royalty<>
	P27/1887		Royalty<>
Abbotshall Royalty	ML63/409,410	Norseman^	Royalty
Kookynie Royalty	ML40/061	Leonora^	Royalty
	ML40/135,136		Royalty
Makhado Project	Fripp 645 MS	Limpopo~	67%#
	Lukin 643 MS		67%#
	Mutamba 668 MS		67%#
	Salaita 188 MT		67%#
	Tanga 849 MS		67%#
	Daru 889 MS		67%#
	Windhoek 900 MS		67%#
Generaal Project*	Beck 568 MS	Limpopo~	74%
	Bekaf 650 MS		74%
	Remaining Extent & Portion 1 of Boas 642 MS-		74%
	Chase 576 MS		74%
	Coen Britz 646 MS		74%
	Fanie 578 MS		74%
	Portions 1, 2 and Remaining Extent of Generaal 587 MS		74%
	Joffre 584 MS		74%
	Juliana 647 MS		74%
	Kleinenberg 636 MS		74%
	Remaining Extent of Maseri Pan 520 MS		74%
	Remaining Extent and Portion 2 of Mount Stuart 153 MT		100%
	Nakab 184 MT		100%
	Phantom 640 MS		74%
	Riet 182 MT		100%
	Rissik 637 MS		100%
	Schuitdrift 179 MT		100%
	Septimus 156 MT		100%
	Solitude 111 MT		74%
	Stayt 183 MT		100%
	Remaining Extent & Portion 1 of Terblanche 155 MT		100%
	Van Deventer 641 MS		74%
	Wildgoose 577 MS		74%

For personal use only

MC Mining Limited

Tenements held by MC Mining and its Controlled Entities

Project Name	Tenement Number	Location	Interest
Mopane Project*	Ancaster 501 MS	Limpopo~	100%
	Banff 502 MS		74%
	Bierman 599 MS		74%
	Cavan 508 MS		100%
	Cohen 591 MS		100%
	Remaining Extent, Portions 1 & 2 of Delft 499 MS		74%
	Dreyer 526 MS		74%
	Remaining Extent of Du Toit 563 MS		74%
	Faure 562 MS		74%
	Remaining Extent and Portion 1 of Goosen 530 MS		74%
	Hermanus 533 MS		74%
	Jutland 536 MS		100%
	Krige 495 MS		74%
	Mons 557 MS		100%
	Remaining Extent of Otto 560 MS (Now Honeymoon)		74%
	Remaining Extent & Portion 1 of Pretorius 531 MS		74%
	Schalk 542 MS		74%
	Stubbs 558 MS		100%
	Ursa Minor 551 MS		74%
	Van Heerden 519 MS		74%
	Portions 1, 3, 4, 5, 6, 7, 8, 9, Remaining Extent of Portion 10, Portions 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 29, 30, 35, 36, 37, 38, 39, 40, 41, 44, 45, 46, 48, 49, 50, 51, 52 & 54 of Vera 815 MS		74%
	Remaining Extent of Verdun 535 MS		74%
	Voorburg 503 MS		100%
	Scheveningen 500 MS		74%
Uitkomst Colliery and prospects	Portion 3 (of 2) of Kweekspruit No. 22	KwaZulu-Natal~	84%
	Portion 8 (of 1) of Kweekspruit No. 22		84%
	Remainder of Portion 1 of Uitkomst No. 95		84%
	Portion 5 (of 2) of Uitkomst No. 95		84%
	Remainder Portion1 of Vaalbank No. 103		84%
	Portion 4 (of 1) of Vaalbank No. 103		84%
	Portion 5 (of 1) of Vaalbank No. 103		84%
	Remainder of Portion 1 of Rustverwacht No. 151		84%
	Remainder of Portion 2 of Rustverwacht No. 151		84%
	Remainder of Portion 3 (of 1) of Rustverwacht No. 151		84%
	Portion 4 (of 1) Rustverwacht No.151		84%
	Portion 5 (of 1) Rustverwacht No. 151		84%
	Remainder of Portion 6 (of 1) of Rustverwacht No. 151		84%
	Portion 7 (of 1) of Rustverwacht No. 151		84%
	Portion 8 (of 2) of Rustverwacht No. 151		84%
	Remainder of Portion 9 (of 2) of Rustverwacht No. 151		84%
	Portion 11 (of 6) of Rustverwacht No. 151		84%
	Portion 12 (of 9) of Rustverwacht No. 151		84%
	Portion 13 (of 2) of Rustverwacht No. 151		84%
	Portion 14 (of 2) of Rustverwacht No. 151		84%
	Portion 15 (of 3) of Rustverwacht No. 151		84%
	Portion 16 (of 3) of Rustverwacht No. 151		84%
	Portion 18 (of 3) of Waterval No. 157		84%
	Remainder of Portion 1 of Klipspruit No. 178		84%
	Remainder of Portion 4 of Klipspruit No. 178		84%
	Remainder of Portion 5 of Klipspruit No. 178		84%

For personal use only

MC Mining Limited

Tenements held by MC Mining and its Controlled Entities

Project Name	Tenement Number	Location	Interest
Uitkomst Colliery and prospects	Portion 6 of Klipspruit No. 178	KwaZulu-Natal~	84%
	Portion 7 (of 1) of Klipspruit No. 178		84%
	Portion 8 (of 1)of Klipspruit No. 178		84%
	Portion 9 of Klipspruit No. 178		84%
	Remainder of Portion 10 (of 5) of Klipspruit No. 178		84%
	Portion 11 (of 5) of Klipspruit No. 178		84%
	Portion 13 (of 4) of Klipspruit No. 178		84%
	Remainder of Portion 14 of Klipspruit No. 178		84%
	Portion 16 (of 14) of Klipspruit No. 178		84%
	Portion 18 of Klipspruit No. 178		84%
	Portion 23 of Klipspruit No. 178		84%
	Remainder of Portion 1 of Jackalsdraai No. 299		84%
	Remainder of Jericho B No. 400		84%
	Portion 1 of Jericho B No. 400		84%
	Portion 2 of Jericho B No. 400		84%
	Portion 3 of Jericho B No. 400		84%
	Remainder of Jericho C No. 413		84%
	Portion 1 of Jericho C No. 413		84%
	Remainder of Portion 1 of Jericho A No. 414		84%
	Remainder of Portion 2 (of 1) of Jericho A No. 414		84%
	Portion 3 (of 1) of Jericho A No. 414		84%
	Portion 4 (of 1) of Jericho A No. 414		84%
	Portion 5 (of 2) of Jericho A No. 414		84%
	Portion 6 (of 1) of Jericho A No. 414		84%
	Margin No. 420		84%
Project Name	**Tenement Number**	**Location**	**Interest**
Vele Colliery and prospects	Portions of Overvlakte 125 MS (Remaining Extent, 3, 4, 5, 6, 13, 14)	Limpopo~	100%
	Bergen Op Zoom 124 MS		100%
	Semple 155 MS		100%
	Voorspoed 836 MS		100%
	Alyth 837 MS		100%

* form part of the Greater Soutpansberg Projects
~ Tenement located in the Republic of South Africa
^ Tenement located in Australia
# MC Mining's interest will reduce to 67% on completion of the 26% Broad Based Black Economic Empowerment (BBBEE) transaction

For personal use only

The supplementary information presented does not form part of the annual financial statements and is unaudited

MC Mining Limited

Shareholder information

The shareholder information set out below was applicable as at 1 September 2026.

Substantial holders

Names of substantial shareholders who own 5% of more of the voting shares.

		Ordinary shares	
	Holder name	Number held	% of total shares issued
1	Kinetic Crest Limited	430,911,853	51%
2	Goldway Capital Investment Limited	121,036,501	14,3%
3	Senosi Group Investment Holdings Proprietary Limited	99,707,126	11,8%
4	Longelephant International Trade Limited	50,162,581	5,9%

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Holder name	Holding	% IC
1	Kinetic Crest Limited	430,911,853	51.0%
2	Goldway Capital Investment Limited	121,036,501	14.3%
3	Senosi Group Investment Holdings Proprietary Limited	99,707,126	11.8%
4	Longelephant International Trade Limited	50,162,581	5.9%
5	Dendocept Proprietary Limited	28,265,593	3.3%
6	Jun Liu & Lu Zhang	26,499,345	3.1%
7	Pacific Goal Investment Limited	24,927,757	3.0%
8	Ying He Yuan Investment (S) Pte Ltd	21,413,462	2.5%
9	Yi He	8,664,674	1.0%
10	Jun Liu	6,735,240	0.8%
11	Justin Collen	2,909,606	0.3%
12	Xiaowen Hou	2,189,483	0.3%
13	Florence Duval	1,226,604	0.1%
14	Stephen Rowse	1,196,203	0.1%
15	Stephen Taylor	902,717	0.1%
16	Kai Wang	824,102	0.1%
17	Jacobus Ignatius De Wet	802,417	0.1%
18	Willem Kruger	729,987	0.1%
19	Baldwin Khosa	715,106	0.1%
20	FlatexDeGiro Bank AG	639,233	0.1%

Ordinary shares

Refer to note 14 to the financial statements.

Options and performance rights

There are no voting rights attached to options and performance rights.

For personal use only

The supplementary information presented does not form part of the annual financial statements and is unaudited

Shareholder information

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of security holders	% of shares
1 to 1,000	753	0.01%
1,001 to 5,000	84	0.02%
5,001 to 10,000	31	0.03%
10,001 to 100,000	40	0.15%
100,001 and over	24	99.79%

The number of shareholders holding less than a marketable parcel of ordinary shares is 788.

For personal use only

MC Mining Limited

Corporate information

Principal and registered office

Block Arcade
Suite 324
Level 3
96 Elizabeth Street
Melbourne
Victoria
Australia
3000
Telephone: +613 9364 4212
Email: bill.pavlovski@mcmining.co.za

South African office

Ground Floor, Greystone Building,
Fourways Golf Park
Roos Street, Fourways 2191 South Africa
Telephone: +27 (0) 10 003 8000
Email: admin@mcmining.co.za

Investor relations

Telephone:+27 (0) 10 003 8000
Email: investor@mcmining.co.za

Corporate Affairs

Zandile Khumalo
Telephone: +27 (0) 10 003 8000
Email: zandile.khumalo@mcmining.co.za

Company Secretary

Bill Pavlovski
Telephone: +27 (0) 10 003 8000
Email: bill.pavlovski@mcmining.co.za

Share registries

Computershare Investor Services
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA6000, Australia

The Pavilions, Bridgwater Road
Bristol BS99 6ZZ
United Kingdom

Rosebank Towers, 15 Bierman Avenue
Rosebank, 2196
South Africa

Public relations

R&A Strategic Communications
(South Africa)
Charmane Russell
Telephone: +27 (0) 11 880 3924
42 Glenhove Road
Melrose Estate
Johannesburg
South Africa

Lawyers

Falcon & Hume
2nd Floor, 8 Melville Rd, Illovo
Johannesburg, 2196
South Africa

Bankers

NAB Limited
Level 1, 1238 Hay Street
West Perth WA6005, Australia

ABSA Bank
North Campus 15 Alice Lane Sandton,
South Africa

Auditors

Forvis Mazars Audit & Assurance Pty Ltd
Level 5/600 Bourke Street
Melbourne VIC 3000
Australia

Stock exchanges

ASX Limited (ASX) (Primary listing)
Exchange Plaza
2 The Esplanade
Perth WA6000, Australia

JSE Limited (Secondary listing)
1 Exchange Square
Gwen Lane, Sandown 2146
South Africa

For personal use only

MC Mining Limited

Resources and Reserve Statement

Resources and Reserve Statement as at 30 June 2026

Introduction

MC Mining reviews and reports its Mineral Resources and Reserves at least annually, in line with its financial year-end of 30 June. Where there are any material changes to the Mineral Resources and Reserves during the financial year, the Company is required to report these changes promptly.

Accordingly, MC Mining is reporting changes in the Mineral Resources and Reserves of its three operations—Uitkomst Colliery, Vele Aluwani Colliery, and Makhado Colliery—as well as its greenfield projects.

Uitkomst Colliery was mined continuously during FY2025 until it was placed into hibernation in February 2026 during FY2026. Vele Aluwani Colliery were suspended in December 2023, while Makhado Colliery is in the commissioning phase of the construction.

A summary of the Mineral Resource and Reserve Statement is provided below, with the key changes and developments briefly discussed in this document.

The summary of the Resource and Reserve statement for MCM's operations and projects are compliant with the Committee for the Mineral Reserves International Reporting Standards (CRIRSCO) of November 2013, which is a requirement due to the fact that MCM has its primary listing on the Australian Stock exchange (ASX: MCM:AU) and the Johannesburg Stock Exchange (JSE: MCZ:SJ).

Under the auspices of CRIRSCO the reporting is required to be compliant to the relevant National Reporting Organisations (NROs) and are required to be founded on the Central Principles of Transparency, Materiality and Competence and are provided on an "if not, why not" basis.

The various projects are the subject of Competent Persons Reports (CPRs) that are all JORC 2012 and SAMREC 2016 compliant. The CPRs used in this report are:

• the Makhado Project announcement in June 2024 has reference
• the Uitkomst Colliery was evaluated by Minxcon and an independent report dated 28th February 2017 was presented;
• the Vele Aluwani Colliery was evaluated by VBKom mining engineers and an independent report dated 1st March 2017 was presented; and
• the Greater Soutpansberg Projects were evaluated by Venmyn Deloitte consultants and their report dated 1st February 2017 was prepared.

By whom is this statement prepared

The relevant Competent Persons in the employ of or consulting to the company; Mr Mduduzi Maphisa(123949), Mr J Sparrow(400109/03); who consent to the inclusion of this extract of the resources and reserves into the MC Mining Integrated Annual Report 2026.The principle competent persons involved in this declaration are Mr M. Maphisa is in the full time employ of MCM as the Principle Projects Geologist. Mr Sparrow, is a consultant to MCM.

Mr M Maphisa is a registered professional scientist of good standing with the South African Council for Natural Scientific Professions (SACNASP) (123949).

Mr Sparrow is a registered professional scientist of good standing with the South African Council for Natural Scientific Professions (SACNASP) (400109/03).

All parties have consented to the inclusion of the Resources and Reserves in the FY2026 Integrated Report.

The units of measure in this report are metric, with Tonnes (t) = 1,000kg.

This report includes technical information that requires subsequent calculations to derive subtotals, totals and weighted averages. Such calculations may involve a degree of rounding and consequently introduce an error. Where such errors occur MCM does not consider them to be material. Terminology used herein is English, with English spellings utilised throughout.

The supplementary information presented does not form part of the annual financial statements and is unaudited
For personal use only

MC Mining Limited

Resources and Reserve Statement

Background

MCM has several Operations and Projects that will be reported.

Suspended operations

Vele Colliery, Vhembe Magisterial District, Limpopo Province, Republic of South Africa (GPS Coordinates Lat: 22° 9'29.28"S, and Long: 29°38'41.24"E) – Production re-established in September 2022 and the operations were suspended in December 2023.

Uitkomst Colliery, Amajuba Magisterial District, KwaZulu-Natal Province, Republic of South Africa (GPS Coordinates, Lat: 27° 36'02.99"S, and Long: 30°08'06.51"E). Operations were suspended from the 1st of March 2026.

Projects at various stages of development

Makhado Colliery, Vhembe Magisterial District, Limpopo Province, Republic of South Africa (GPS Coordinates Lat: 22°48'13.44"S, and Long: 29°57'44.52"E). Mining Right granted May 2015.

Chapudi Project, Vhembe Magisterial District, Limpopo Province, Republic of South Africa (GPS Coordinates Lat: 22°52'52.36"S, and Long: 29°39'41.72"E). Mining Right application submitted in June 2013 and granted in December 2018. The project consists of the Chapudi, Chapudi West and Wildebeesthoek Sections.

Generaal Project, Vhembe Magisterial District, Limpopo Province, Republic of South Africa (GPS Coordinates Lat: 22°40'34.46"S, and Long: 30° 8'51.19"E). Mining Right application submitted April 2013 and the project consists of the Generaal and Mount Stuart sections.

Mopane Project, Vhembe Magisterial District, Limpopo Province, Republic of South Africa (GPS Coordinates Lat: 22°32'42.06"S, and Long: 29°48'51.40"E). Mining Right application submitted March 2013 and the Project consists of the Voorburg and Jutland Sections.

SUMMARY OF THE MC MINING LIMITED RESOURCES AND RESERVES

Extract from the Resource and Reserve Statement

The Mineral Resource and Reserve statement has been extracted from the independent technical reports compiled by Minxcon consulting, VBKom consulting engineers and Venmyn Deloitte. These technical reports can be viewed at: http://www.mcmining.co.za/technical-reports. The resources and reserves are at 30th June 2026 for all assets. The statement below is relevant for the Mineral assets under MC Mining Limited's control at 30th June 2026. They have been based upon reliable exploration and mining results (where appropriate) and accurately estimated using industry best practise standards of modelling. The resources and reserves have been correctly classified according to the JORC Code (2012). The relevant Competent Persons in the employ of or consulting to the company; Mr Mduduzi Maphisa(123949), Mr J Sparrow(400109/03); who consent to the inclusion of this extract of the resources and reserves into the MC Mining Integrated Annual Report 2026.

For personal use only

MC Mining Limited

Resources and Reserve Statement

Extract from the Resource and Reserve Statement

MC Mining Limited Resources[1]		JORC 2012		SAMREC 2016		
Project/operations	Resources category[2]	Gross Tonnes in Situ (GTIS) Mt	Total Tonnes in Situ (TTIS) Mt	Mineable Tonnes in Situ (MTIS) Mt	MCM Attributable Interest	MCM Attributable MTIS resource
Vele Aluwani Colliery[8]	Measured	146,789	132,110	5,353	100%	5,353
Uitkomst Colliery		15,144	13,630	12,913	70%	9,039
Mopane Project[3]		109,435	98,492	94,916	97%	92,012
Makhado Project[7]		387,340	367,980	241,811	69%	166,849
Total Measured Resources		**658,708**	**612,212**	**354,993**		**273,253**
Vele Aluwani Colliery[8]	Indicated	426,854	362,826	3,961	100%	3,961
Uitkomst Colliery		4,024	3,420	3,230	70%	2,261
Mopane Project[3]		125,034	106,279	100,507	96%	96,444
Makhado Project[7]		254,000	233,680	54,055	69%	37,298
Total Indicated Resources		**809,912**	**706,205**	**161,753**		**139,964**
Vele Aluwani Colliery[8]	Inferred	218,932	175,145	704	100%	704
Uitkomst Colliery		5,539	4,431	4,171	70%	2,920
Mopane Project[3]		36,239	28,991	24,001	88%	21,130
Makhado Project[7]		116,200	104,600	38,857	69%	26,811
Generaal Project[4]		407,163	325,730	55,511	100%	55,511
Chapudi Project[5]		6,399,023	5,119,219	1,318,481	74%	975,676
Wildebeesthoek section[9]		1,523,617	1,218,894	259,103	74%	191,736
Total Indicated Resources		**8,706,713**	**6,977,010**	**1,700,828**		**1,274,488**
Grand Total Resource		**10,175,333**	**8,295,427**	**2,217,574**		**1,687,705**

[1] https://www.mcmining.co.za/investors-and-media/technical-reports/
[2] The JORC and SAMREC compliant coal resource is at the 30th June 2026 and is inclusive of reserves
[3] Mopane Project - Consists of the Voorburg and Jutland sections
[4] Generaal Project - Consists of the Generaal and Mount Stuart Sections
[5] Chapudi Project - Consists of the Chapudi, Chapudi West Sections
[6] MC Mining Limited does not own the surface rights to all farms over which it has rights
[7] The Makhado Project is being constructed. Depletion by the 30th of June 2026 was 0.134254Mt.
[8] Vele Aluwani Colliery - The Vele Aluwani Colliery operations have been suspended, pending further investigation.
[9] Wildebeesthoek Section - Initial resource estimation based on historical, validated data. GTIS on NOMR, MTIS estimated on farms with reasonable potential for access.

For personal use only

The supplementary information presented does not form part of the annual financial statements and is unaudited

MC Mining Limited

Resources and Reserve Statement

MC Mining Limited Reserves[1]		Mineable Tonnes in situ Reserve Mt	Run Of Mine Tonnes (ROM) Mt	Saleable Primary Product Tonnes Mt	Saleable Secondary Product Tonnes Mt	MCM Attributable Interest
Operations	**Resources category[2]**					
Vele Aluwani Colliery		23,306	3,404	1,362	-	100%
Makhado Project	Proved	227,266	97,636	20,672	17,281	-
Uitkomst Colliery		8,848	6,109	4,103	-	70%
Total Proven		**259,420**	**107,149**	**26,137**	**17,281**	
Vele Aluwani Colliery		301,371	3,188	1,275	-	100%
Makhado Project	Probable	68,600	8,498	1,846	1,415	69%
Uitkomst Colliery		1,960	1,282	0,882	-	70%
Total Probable		**371,931**	**12,968**	**3,121**	**1,415**	
Grand total Reserves		**631,351**	**120,117**	**29,258**	**18,696**	

[1] https://www.mcmining.co.za/investors-and-media/technical-reports/

[2] The Makhado Colliery reserves have been re-evaluated in the implementation plan and declared in a public statement in June 2024 and have been depleted by the 0.119883Mt mined by 30th June 2026.

[3] The declared coal reserves are based upon the Measured and Indicated Coal Resources only.

[4] Tonnages reported in Millions of tonnes and rounding of weighted averages may have occurred.

[5] Uitkomst colliery reserves a depletion by the actual production from 1st July 2025 to 13th February 2026.

[6] The Vele Aluwani Colliery operations have been suspended.

For personal use only

MC Mining Limited

Resources and Reserve Statement

Resource and Reserve Statement Comparison

In this Financial year the resource models for both Uitkomst and Makhado Colliery's have been redetermined based on information gathered in terms of additional drillhole data and mining conditions. While this information has provided more confidence in the classification of resources it has had no impact on the mining models. As such the Resources have been re-determined, and a depletion model has been applied to the existing mining models based on detailed monthly survey and production reporting.

MC Mining Limited Resources[1]

Project/operations	Resources category[2]	Gross Tonnes in Situ (GTIS) Mt	Total Tonnes in Situ (TTIS) Mt	Mineable Tonnes in Situ (MTIS) Mt	MCM Attributable Interest	MCM Attributable MTIS resource
Vele Aluwani Colliery[8]		0,000	0,000	0,000	100%	0,000
Uitkomst Colliery*	**Measured**	0.397	-0,380	-0,360	70%	-0,252
Mopane Project[3]		0,000	0,000	0,000	97%	0,000
Makhado Project[7]		0,000	0,000	-0,134	69%	-0,093
Total Measured Resources		**0.397**	**-0,380**	**-0,494**		**-0,345**
Vele Aluwani Colliery[8]		0,000	0,000	0,000	100%	0,000
Uitkomst Colliery*	**Indicated**	0,273	0,045	0,042	70%	0,030
Mopane Project[3]		0,000	0,000	0,000	97%	0,000
Makhado Project[7]		0,000	0,000	0,000	69%	0,000
Total Indicated Resources		**0,273**	**0,045**	**0,042**		**0.030**
Vele Aluwani Colliery[8]		0,000	0,000	0,000	100%	0,000
Uitkomst Colliery*		-0,208	-0,453	-0,427	70%	-0,299
Mopane Project[3]		0,000	0,000	0,000	88%	0,000
Makhado Project[7]	**Inferred**	0,000	0,000	0,000	69%	0,000
Generaal Project[4]		0,000	0,000	0,000	100%	0,000
Chapudi Project[5]		0,000	0,000	0,000	74%	0,000
Wildebeesthoek section[9]		0,000	0,000	0,000	74%	0,000
Total Indicated Resources		**-0,208**	**-0,453**	**-0,427**		**-0,299**
Grand Total Resource[2]		**0,463**	**-0,789**	**-0,879**		**-0,614**

[1] https://www.mcmining.co.za/investors-and-media/technical-reports/
[2] The JORC and SAMREC compliant coal resource is at the 30th June 2026 and is inclusive of reserves
[3] Mopane Project - Consists of the Voorburg and Jutland sections
[4] Generaal Project - Consists of the Generaal and Mount Stuart Sections
[5] Chapudi Project - Consists of the Chapudi, Chapudi West Sections
[6] MCMining Limited does not own the surface rights to all farms over which it has rights.
[7] Makhado Project - The Makhado Project is being constructed.
[8] Vele Aluwani Colliery - Vele-Aluwani Coliery operations have been suspended, pending further investigations.
[9] Wildebeesthoek Section - Initial resource estimation based on historical, validated data. GTIS on NOMR, MTIS estimated on farms with reasonable potential for access.
*Uitkomst Colliery - Uitkomst Colliery operations have been suspended pending further investigations.

For personal use only

The supplementary information presented does not form part of the annual financial statements and is unaudited

MC Mining Limited

Resources and Reserve Statement

MC Mining Limited Reserves[1]		Mineable Tonnes in situ Reserve Mt	Run Of Mine Tonnes (ROM) Mt	Saleable Primary Product Tonnes Mt	Saleable Secondary Product Tonnes Mt	MCM Attributable Interest
Operations	**Resources category[2]**					
Vele Aluwani Colliery	Proven	0,000	0,000	0,000	0,000	100%
Makhado Project	Proven	-0.134	-0.120	0,000	0,000	69%
Uitkomst Colliery	Proven	-0.216	-0.152	-0,101	0,000	70%
Total Proven		**-0.350**	**-0.271**	**-0,101**	**0,000**	
Vele Aluwani Colliery	Probable	0,000	0,000	0,000	0,000	100%
Makhado Project	Probable	0,000	0,000	0,000	0,000	69%
Uitkomst Colliery	Probable	0,000	0,000	0,000	0,000	70%
Total Probable		**0,000**	**0,000**	**0,000**	**0,000**	
Grand total Reserves		**-0,350**	**-0,271**	**-0,101**	**0,000**	

[1] https://www.mcmining.co.za/investors-and-media/technical-reports/
[2] The declared coal reserves are based upon the Measured and Indicated Coal Resources only.
[3] Tonnages reported in Millions of tonnes and rounding of weighted averages may have occurred.

Governance Arrangement and Internal Controls

MCM has ensured that the mineral Resources quoted are subject to good governance arrangements and internal control. The Company has engaged external independent consultants to update the mineral resource in accordance with the JORC Code 2012 and SAMREC 2016.

For personal use only