Consolidated Annual Financial Statements
for the year ended 30 June 2025
(Expressed in United States Dollars unless otherwise stated)

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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 2025. 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		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.
An Chee Sin	Non-Executive Director	Resigned: 15 April 2025	Mr Chee Sin is an Accredited Tax Practitioner with the Singapore Institute of Accredited Tax Professionals and is also a Chartered Accountant with the Institute of Singapore Chartered Accountants. He has more than 17 years of extensive experience in international and local corporate taxation and co-founded Pinnacle Tax Services Pty Ltd (Pinnacle Tax) in 2004. Prior to joining Pinnacle Tax, he held the position of Director of Corporate Tax with KPMG and has coordinated various advisory projects, including cross-border fund structures, corporate restructurings, treasury and mergers and acquisitions.
Ontiretse Mathews Senosi	Non-Executive Interim Chairman		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	Interim, Managing Director and Chief Executive Officer	Appointed as interim from 1 July 2024	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.

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

Muhui (Chris) Huang	Non-Executive Director	Appointed: 28 August 2024	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' experiences 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-boarder projects managements. Muhui is a member of Australasian Institute of Mining and Metallurgy (AUSIMM).
Bill Pavlovski	Independent Non-Executive Director	Appointed: 28 August 2024	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	Appointed: 9 September 2024	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	Appointed: 15 April 2025	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.

Directors' Report

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

Dr. Huoxin (Hevin) Wang	Non-Executive Director	Appointed: 15 April 2025	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.

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**
An Chee Sin	None
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

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 2025:

Director	**Ordinary shares**	**Performance rights**	**Unlisted options**
A Chee Sin	-	-	-
Z He	264,845	-	-
Y He	36,930,267	-	-
M Senosi	95,357,455	-	-
Muhui (Chris) Huang	-	-	-
Bill Pavlovski	-	-	-
Dr Steele West	-	-	-
Lanlan (Lily) Wang	-	-	-
Dr. Huoxin (Hevin) Wang	-	-	-
	132,552,567	**-**	**-**

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 13 to 17.

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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 2025. All previously issued unlisted options held by former Managing Director Mr Godfrey Gomwe, comprising 8,000,000 options, lapsed unexercised on 31 August 2024. The Company did not issue any new options or performance rights to incoming directors, including Mr Muhui (Chris) Huang, Mr Bill Pavlovski, Dr Steele West, Ms Lanlan (Lily) Wang, or Dr Huoxin (Hevin) Wang.

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.

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 (following the AIM delisting in FY2024). 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.

The Group's principal assets and projects include:

• Uitkomst Colliery, an operating metallurgical and thermal coal mine with a circa 19.48-year life of mine (LOM);

• Makhado steelmaking hard coking coal project (Makhado Project or Makhado);

• Vele Aluwani Colliery, a semi-soft coking and thermal coal mine; 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 FY2025, the Group recorded one fatality at the Uitkomst Colliery (FY2024: zero) following a fall-of-ground incident in July 2024. The Group also recorded two lost-time injuries (LTIs) for the year (FY2024: two LTIs). These events have reinforced MC Mining's commitment to improving safety measures, with enhanced monitoring, additional underground support systems, and continuous safety training rolled out during the year.

• Run-of-mine (ROM) coal production at the Uitkomst Colliery totalled approximately 390,788 tonnes for FY2025, representing a 21.6% decrease compared to FY2024's 498,589 tonnes. This reduction was primarily due to adverse geological conditions and equipment availability challenges during the year.

• Uitkomst's coal sales were significantly lower during FY2025, with total sales of 269,877 tonnes (FY2024: 350,677 tonnes). Depressed domestic thermal coal prices, which averaged around US$90–110 per tonne, persisted throughout the year. In line with its cost-containment strategy, the Group sold all coal domestically to avoid high transport and port charges associated with export markets. While premium hard coking coal (HCC) prices averaged around US$200 per tonne, the Group's inability to access HCC production at this stage meant it could not benefit from these favourable prices.

• The Group completed its evaluation of Operation Shandukani – a production optimisation initiative launched in FY2024 – and transitioned into a revised business plan for Uitkomst. Key measures included underground mining layout reconfiguration, processing plant modifications, and improved cost control measures, all aimed at lowering production costs, stabilising earnings, and enhancing product yields. By year-end, a new management team has been put in place at Uitkomst and processing plant modifications were completed.

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8. Review of operations - salient features (continued)

• The Makhado Project remains MC Mining's flagship asset and is fully licensed and shovel-ready. FY2025 marked a significant milestone for the Group with the commencement of project to achieve first coal by the first quarter of 2026. Significant on-site work was undertaken and critical agreements were entered into in terms of the coal handling and processing plant (CHPP) and the contract mining agreements. All development activities are progressing well and on target to achieve first coal. 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)

A significant corporate milestone during FY2025 was the strategic investment by KDG, which will result in KDG acquiring a 51% controlling interest in MC Mining once all funding tranches are completed. The First Closing was successfully completed on 30 August 2024, with KDG subscribing for a 13.04% equity interest in MC Mining for US$12.97 million. The Second Closing, valued at approximately US$77 million, was approved by shareholders at an extraordinary general meeting on 23 January 2025 and will be paid in nine staged instalments aligned to project milestones. The Competition Commission granted merger clearance on 13 December 2024 with certain conditions, enabling this transformative transaction.

• 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 FY2025, ZAR 120 million was repaid in terms of the settlement agreement.

• Interim Funding Arrangements

To support operations during the year, MC Mining entered into an US$0.7 million unsecured loan facility with Eagle Canyon International Group Holding (Hong Kong) Limited, an entity associated with Interim CEO Christine He. This facility supplemented existing working capital lines and provided additional liquidity pending the staged KDG funding. The loan was settled in full in FY25.

• Board and Governance Changes

FY2025 saw a major refresh of the Board, aligning with the Company's new strategic direction.

Appointments: Christine He assumed the role of Interim Managing Director & CEO on 1 July 2024. In August and September 2024, the Company appointed Muhui (Chris) Huang, Bill Pavlovski, and Dr Steele West as Non-Executive Directors. Further, on 15 April 2025, Lanlan (Lily) Wang and Dr Huoxin (Hevin) Wang joined the Board, both bringing strong financial and corporate governance expertise aligned with KDG's investment.

Resignations: An Chee Sin resigned as Non-Executive Director effective 15 April 2025.

• Capital Structure and Cash Position

The completion of the first KDG subscription tranche increased the Company's issued share capital by approximately 62.1 million shares. As a result, available cash and facilities peaked at US$12.9 million at 30 September 2024, compared to just US$0.2 million at 30 June 2024, before being drawn down for operational and project activities. This improved liquidity, together with the upcoming KDG tranches, positions MC Mining to advance its flagship Makhado Project.

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10. Subsequent events

• Uitkomst Colliery Turnaround Plan

After year-end, MC Mining commenced implementation of a revised business plan (Turnaround Plan) at the Uitkomst Colliery. The plan focuses on improving operational efficiency through underground mining layout reconfiguration, modifications to the CHPP to enhance yields, and reducing workforce numbers from 430 to 366 employees with minimal forced retrenchments. The strategy also aims to secure longer-term coal offtake agreements to stabilise pricing and reduce earnings volatility.

• KDG funding

The staged Second Closing of KDG's strategic investment, totaling US$77 million, remains in progress after year-end. Instalments will continue to be released in line with Makhado Project development milestones, ensuring that project funding is available as construction activities advance.

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

11. Financial review

• The Company sold all of its coal on the domestic market.

• Net cash raised from financing activity of $33.78 million in FY2025 applied towards Investing activities of $15.48 million (predominantly in the development of the Makhado project) and operating activities of $11.4 million.
• Contributing to the net loss after tax of $35.98 million (2024: $14.6 million) was non-cash charges of $25.1 million (FY2024: $5.9 million) which includes the following:
• Depreciation and amortisation of $1.4 million (FY2024: $1.9 million)
• Net impairment expense of $24.3 million (FY2024: $0.9 million)
• An impairment of $12.3 million and $12 million was passed on Uitkomst and GSP respectively. These impairments were passed in-line with the independent fairness assessment carried out as part of the KDG subscription.
• Total unrestricted cash balances at year-end of $7.4 million (FY2024: $0.2 million).

12. Going concern

Attention is drawn to the disclosure in the annual financial statements on the going concern assumption (refer note 1), noting that there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors are satisfied however, at the date of signing the annual financial report, that there are reasonable grounds to believe that the Group will be able to continue to meet its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis. The directors have based this on a number of assumptions which are set out in detail in note 1 to the annual financial report. The Directors are of the view that reaching an agreement with the IDC in terms of the repayment plan and the KDG, share subscription reduces the going-concern uncertainty. Material uncertainty will only be removed once Makhado is successfully commissioned and generating positive cashflows. In order to meet its working capital requirements, the Group is exploring and progressing several alternative strategies to raise additional funding including, but not limited to:

• finalising the remaining equity subscription by KDG as per the staged funding arrangement that was approved by shareholders on 23 January 2025 to support both the construction of the Makhado Project and ongoing working capital requirements.

• concluding the well advanced application for additional working capital facility in the first quarter of calendar year 2026 for R250 million.

• The Directors also note that the Uitkomst Colliery Turnaround Plan, announced on 15 July 2025, is expected to reduce operating costs and improve profitability through workforce optimization, improved plant efficiencies, and securing long-term offtake agreements. These operational improvements are anticipated to enhance cash generation in FY2026.

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12. Going concern (continued)

While a material uncertainty remains due to reliance on the timely receipt of future KDG tranches and execution of operational plans, the Directors believe that these measures, together with the Group's current cash reserves and available facilities, will enable the Company to meet its obligations as they fall due for at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements continue to be prepared on a going concern basis.

13. Current developments

Makhado Project

FY2025 marked a significant milestone in the history of MC Mining with the acceleration in the construction of Makhado. During FY2025, significant construction work was carried out on site, including the erection of power supply lines, construction of key infrastructure, the coal handling and processing plant (CHPP) and the commencement of mining activities (preparation of the box-cut).

Project tracking

Rapid progress towards coal production was made in FY2025 on the back of an excellent health and safety record, with zero lost time injuries since commencement in November 2024, full regulatory compliance and in line with planned capital expenditure. Key mine infrastructure, including bulk power and water supply, mine access bridge and roads, dirty water containment are on schedule and in line with scheduled commencement of coal production. Enprotec (Pty) Ltd, which is constructing the Coal Plant on a Build-Own-Operate-Transfer contract basis, has completed civil works and transitioned to erecting structural steel, installing mechanical equipment and platework JCI Mining (Pty) Ltd, the principal mining contractor, is established on site and on schedule with the box-cut developments.

The salient features of the Makhado Project are:

- Targeted mining rate from 3.2 to 4.0Mtpa of ROM coal;
- Approximately 28 year LOM;
- CHPP capacity of 4.0 Mtpa;
- Total saleable coal products of 41 million tonnes over the mine life;
- Time to first production is 13 months; 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	3,9
Total ROM Mined (over the mine life)	Mt	106
Total Waste Mined (over the mine life)	BCM (million)	260
Stripping Ratio (Waste: ROM)	BCM: tonnes	2,5
Steelmaking HCC yield	%	21,2
Thermal coal yield	%	17,6
Total Coal Sales - all products	Mt	44,1
Coal Sales 5,500 kcal thermal coal - Export	Mt	18,7
Coal Sales - Steelmaking HCC (Domestic & Export)	Mt	22,4
Steelmaking HCC - Domestic	Mt	11,2
Steelmaking HCC - Export	Mt	11,2

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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	January 2026
Benchmark Prices (real, long term)	Premium HCC price	US$/t	201
	API4 (6,000 kcal) thermal coal price	US$/t	113
Realised Prices (real)	64 Mid Vol HCC (export)	US$/t	181
	64 Mid Vol HCC (domestic)	US$/t	163
	Thermal coal 5,500 kcal	US$/t	113
Fully-allocated unit costs (C3)		US$/saleable t	105
Construction Capital		ZAR 'Bn	2,0
Financial Evaluation Outcomes			
Free cashflow (post tax)		ZAR 'm	327
Post-tax IRR		%	16%
Post-tax NPV(9%)		ZAR 'Bn	1,181
Post-tax NPV(12%)		ZAR 'Bn	0.547
Average payback period (years)		Years	80

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.

Uitkomst Colliery Turnaround Plan

MC Mining's subsidiary, Uitkomst Colliery, has commenced implementation of a revised business plan (Turnaround Plan) to position the colliery for a future growth phase. Key focus areas include reconfiguring underground mining layouts, modifications to the coal handling and processing plant to improve product yields, workforce optimisation from 430 to 366 employees, and entering longer-term coal offtake agreements to stabilise price certainty.

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. Studies required for environmental and water use licences are expected to commence following the construction of the Makhado Project.

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;
• 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).

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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 2025 (FY2024: nil).

17. Indemnification of officers and auditors

During the financial year, the Company paid a premium of $0.3 million (FY2024: $0.2 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's independence declaration

The auditor's independence declaration is included on page 25 of these consolidated financial statements.

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, a total of six scheduled and four unscheduled board meetings were held, no Nomination and Remuneration Committee meetings, three Safety and Health Committee meetings, three Audit and Risk Committee meetings and two Social and Ethics Committee meetings were held.

	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**
A Chee Sin[1]	8	5	3	3	-	-	-	-	-	-
Z He	10	10	-	-	-	-	3	2	2	1
Y He	10	9	-	-	-	-	3	2	2	1
M Senosi	10	10	-	-	-	-	3	1	2	1
Muhui (Chris) Huang	6	6	2	2	-	-	2	2	2	1
Bill Pavlovski	10	7	3	2	-	-	3	2	2	2
Dr Steele West	6	6	-	-	-	-	2	2	1	1
Lanlan (Lily) Wang	-	-	-	-	-	-	3	1	1	1
Dr. Huoxin (Hevin) Wang	2	2	-	-	-	-	3	1	1	1
Douglas Abrahams[2]	4	2	1	1	-	-	-	-	-	-

[1] Resigned: 15 April 2025
[2] Resigned: 30 August 2024

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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 2025. 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: Dr Wang (Chairman), Ms Wang and Dr West. The Company is in the process of appointing members. 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
• Ontiretse Mathews Senosi	Non-Executive Interim Chairman
• Yi (Christine) He	Interim, Managing Director and Chief Executive Officer
• Muhui (Chris) Huang	Non-Executive Director
• Bill Pavlovski	Independent Non-Executive Director
• Dr Steele West	Independent Non-Executive Director
• Lanlan (Lily) Wang	Non-Executive Director
• Dr. Huoxin (Hevin) Wang	Non-Executive Director
• FM Duval[1]	General Manager: Sustainability
• SR Rowse[1]	General Manager: Finance and Administration
• W Shamu[2]	General Manager
• D de Kock[2]	Finance Executive

[1] Resigned as Key Management Personnel on 31 July 2024.
[2] Appointed as Key Management Personnel: W. Shamu on 1 July 2024, and D. de Kock on 9 December 2024.

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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, FM Duval as General Manager: Sustainability and S Rowse as General Manager: Finance and Administration, W Shamu as General Manager 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 and offering specific long-term incentives based on key performance areas affecting the Group's financial results. 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), performance rights and performance incentives.

• Incentives paid in the form of cash and performance rights 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, Bonuses and incentives are linked to predetermined performance criteria. The performance criteria vary and are determined in line with each individual's performance contract. 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 by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

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 who will receive remuneration in line with 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.

Options granted do not carry dividend or voting rights. Options are valued using a hybrid single barrier option pricing model. The model incorporates a Monte Carlo simulation, which simulates the Company's share price at the performance measurement date.

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24. Remuneration policy (continued)

The Company has a shareholder approved performance rights plan (the Plan) to assist in the reward, retention and motivation of eligible employees and to align the interest of eligible employees with the shareholders of the Company. Prior to a performance right being exercised, the performance grants do not carry any dividend or voting rights. Performance rights are granted for no consideration and no exercise price is payable upon exercise of the performance rights.

Apart from the special incentive performance rights, the performance rights proposed to be granted are subject to the following vesting conditions:

• The base price of the performance rights will be the 30 day volume weighted average price (VWAP) subject to a hurdle rate based on the South African Consumer Price Index (Hurdle Rate).

• The vesting of performance rights will be assessed annually to determine whether one third of the performance grants are cancelled or earned.

• The vesting of performance rights will be assessed using the volume weighted average price (VWAP) of shares over the 30 days prior to the specific vesting date.

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.

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 2025.

	Year ended 30 June 2025 $'000	**Year ended 30 June 2024 $'000**	**Year ended 30 June 2023 $'000**	**Year ended 30 June 2022 $'000**	**Year ended 30 June 2021 $'000**
Revenue	17,452	36,665	44,799	23,511	20,702
Net loss before tax	38,253***	15,066**	4,008	20,719*	12,107
Net loss after tax	35,984	14,648	4,398	20,835	11,837
Share price at start of year	A$0.14	A$0.13	A$0.10	A$0.10	A$0.13
Share price at end of year	A$0.09	A$0.14	A$0.13	A$0.10	A$0.10
Basic and diluted loss per share ($ cents) from continuing operations	7.06	3.54	1.46	11.41	7.76

*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
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.

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

2024	Short term employee benefits		Share-based payments	Total	Share based % of Total
	Salary and fees	Bonus	Performance rights		
	$	$	$	$	%
Non-Executive Directors					
A Mifflin	73,457	-	-	73,457	-
An Chee Sin	57,580	-	-	57,580	-
KB Mosehla	62,917	-	-	62,917	-
N Nene	97,115	-	-	97,115	-
M Senosi	57,493	-	-	57,493	-
Y He	57,493	-	-	57,493	-
J Hoskin	59,484	-	-	59,484	-
Z He	57,493	-	-	57,493	-
Executive Directors					
G Gomwe	300,365	368,933	517,100	1,186,398	44%
	823,397	**368,933**	**517,100**	**1,709,430**	**44%**
Key management personnel					
FM Duval	269,420	199,224	31,094	499,738	6%
SR Rowse	261,138	188,369	30,324	479,831	6%
	530,558	**387,593**	**61,418**	**979,569**	**6%**
	1,353,955	**756,526**	**578,518**	**2,688,999**	**6%**

No director appointed during the period received a payment as part of their consideration for agreeing to hold the position.

29. Share-based payments granted as compensation

No share-based payment compensation were 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 2025 and 30 June 2024.

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 (2024:8,000,000) share options exist as at 30 June 2025. 8,000,000 of the vested options expired during the financial year.

	Held at 1 July 2024	Granted as remuneration	Exercised	Expired	Held at 30 June 2025
Executive Director					
G Gomwe	8,000,000	-	-	(8,000,000)	-
	8,000,000	**-**	**-**	**(8,000,000)**	**-**

No share options were granted or exercised by non-executive directors for 2025 and 2024.

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 2024	Granted as remuneration	On exercise of options	Sold	Held at 30 June 2025
Non-Executive Directors					
Z He	264,845	-	-	-	264,845
M Senosi	95,357,455	-	-	-	95,357,455
Y He	36,930,267	-	-	-	36,930,267
Executive Director					
G Gomwe	4,000,000	-	-	(4,000,000)	-
Key management personnel					
FM Duval	1,226,604				1,226,604
SR Rowse	1,196,203				1,196,203
	138,975,374	**-**	**-**	**(4,000,000)**	**134,975,374**

This marks the end of the remuneration report.

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Directors' Report

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

Mathews Senosi
Interim Chairman
29 September 2025

Yi (Christine) He
Interim Managing Director and Chief Executive Officer
29 September 2025

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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	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

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

Mathews Senosi
Interim Chairman
29 September 2025

Yi (Christine) He
Interim Managing Director and Chief Executive Officer
29 September 2025

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Independent Auditor's Report to the Members of MC Mining Limited

Report on the audit of the financial report

Opinion

We have audited the accompanying financial report of MC Mining Limited ("Company"), and its subsidiaries ("Group"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and 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 MC Mining Limited (set out on pages 26 to 82) is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its consolidated financial performance for the year then ended; and

ii. 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 (including Independence Standards)* ("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 in the financial report, which indicates that the Group incurred a net loss of US35.98 million during the year ended 30 June 2025 and, as of that date, the Company's current liabilities exceeded its current assets. As stated in note 1, these events or conditions, along with other matters as set forth in that note, 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.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and 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 fulfilled the responsibilities described the '*Auditor's Responsibilities for the Audit of the Financial Report'* section of our report, including in relation to these matters. Accordingly, out audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial report.

Key audit matter	**How we addressed the key audit matter**
Valuation of non-current assets (note 2, 3, 5, 6, 7, and 25)	
At 30 June 2025, the Group's consolidated statement of financial position included US$103.8 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 note 2 and 3 to the 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 recorded and impairment expense of US$24.3 million which are disclosed in note 25. 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 2025. 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) Assessed 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 the each CGU: 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 financial report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information 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, 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 financial report

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

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

b) 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:

a) the 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

b) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related 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 financial report

Our objectives are to obtain reasonable assurance about whether the 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 financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit finding, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in page 12 to 17 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of MC Mining Limited, for the year ended 30 June 2025, 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 ASSURANCE PTY LTD

M. J. Green
Director

Brisbane, 29 September 2025

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Auditor's independence declaration to the directors of MC Mining Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025, there have been:

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

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

FORVIS MAZARS ASSURANCE PTY LIMITED

M. J. Green
Director

Brisbane, 29 September 2025

Consolidated Statement of Financial Position

Figures in US$ `000	Notes	Group 2025	Group 2024
Assets			
Non-current assets			
Property, plant and equipment	5	47,464	33,745
Right-of-use assets	18	1,326	1,965
Development assets	6	27,310	-
Exploration and evaluation assets	7	22,901	70,545
Intangible assets	8	466	488
Other financial assets	12	4,309	6,667
Restricted cash	13	24	23
Total non-current assets		**103,800**	**113,433**
Current assets			
Inventories	9	826	643
Trade and other receivables	10	2,600	1,329
Other financial assets	12	333	-
Cash and cash equivalents	13	7,388	234
Total current assets		**11,147**	**2,206**
Total assets		**114,947**	**115,639**
Equity and liabilities			
Equity			
Issued capital	14	1,107,698	1,071,127
Share application money received	14	5,000	-
Accumulated loss		(979,845)	(944,995)
Reserves	15	(48,106)	(49,489)
Total equity attributable to owners of the parent		84,747	76,643
Non-controlling interests		(1,539)	(1,236)
Total equity		**83,208**	**75,407**
Liabilities			
Non-current liabilities			
Provisions	16	6,739	8,700
Deferred tax liabilities	11	1,110	3,349
Lease liabilities	18	988	1,539
Borrowings	19	26	36
Total non-current liabilities		**8,863**	**13,624**
Current liabilities			
Provisions	16	434	461
Trade and other payables	17	9,104	6,357
Current tax liabilities		264	257
Lease liabilities	18	662	733
Borrowings	19	11,307	17,509
Bank overdraft	13	1,105	1,291
Total current liabilities		**22,876**	**26,608**
Total liabilities		**31,739**	**40,232**
Total equity and liabilities		**114,947**	**115,639**

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

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

Figures in US$ `000	Notes	Group 2025	Group 2024
Revenue	20	17,452	36,665
Cost of sales	21	(24,083)	(36,542)
Gross (loss) / profit		**(6,631)**	**123**
Other operating income	22	126	3,641
Reversal of/(expected) credit losses	23	343	(1,525)
Administrative expenses	24	(6,906)	(15,373)
Impairment expense	25	(24,328)	(936)
Other gains	26	10	221
Loss from operating activities		**(37,386)**	**(13,849)**
Finance income	27	715	321
Finance costs	28	(1,582)	(1,538)
Loss before tax		**(38,253)**	**(15,066)**
Income tax credit	29	2,269	418
Loss for the year		**(35,984)**	**(14,648)**
Loss for the year attributable to:			
Owners of Parent		(35,681)	(14,319)
Non-controlling interest		(303)	(329)
		(35,984)	**(14,648)**
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		2,214	1,725
Total Exchange differences on translation		**2,214**	**1,725**
Comprehensive income attributable to:			
Comprehensive income, attributable to owners of parent		(33,467)	(12,594)
Comprehensive income, attributable to non-controlling interests		(303)	(329)
Total comprehensive income for the year		**(33,770)**	**(12,923)**
Earnings per share attributable to owners of the parent during the year			
Basic earnings per share			
Basic loss per share	31	(7.06)	(3.54)
Total basic loss per share (cents)		**(7.06)**	**(3.54)**
Diluted earnings per share			
Diluted loss per share	31	(7.06)	(3.54)
Total diluted loss per share (cents)		**(7.06)**	**(3.54)**

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

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Consolidated Statement of Changes in Equity

Figures in US$ `000	Issued capital	Share application money received	Capital profit reserve	Foreign currency translation reserve	Share based payment reserve	Accumulated loss	Attributable to owners of the parent	Non-controlling interests	Total
Balance at 1 July 2023	1,069,871	-	91	(53,020)	1,992	(930,676)	88,258	(907)	87,351
Changes in equity									
Loss for the year	-	-	-	-	-	(14,319)	(14,319)	(329)	(14,648)
Other comprehensive income	-	-	-	1,725	-	-	1,725	-	1,725
Total comprehensive income for the year	-	-	-	1,725	-	(14,319)	(12,594)	(329)	(12,923)
Issue of equity	1,256	-	-	-	-	-	1,256	-	1,256
Performance grants issued	-	-	-	-	706	-	706	-	706
Performance rights vested	-	-	-	-	(872)	-	(872)	-	(872)
Performance rights expired[1]	-	-	-	-	(111)	-	(111)	-	(111)
Balance at 30 June 2024	**1,071,127**	**-**	**91**	**(51,295)**	**1,715**	**(944,995)**	**76,643**	**(1,236)**	**75,407**
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**
Notes	**14**	**14**	**15**	**15**	**15**				

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

[1] This amount includes the performance incentive which expired.

[2] Share application money pending allotment represents funds received from investors for shares that have not yet been formally issued as at the reporting date, and is presented within equity as the company has no obligation to refund these amounts.

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Consolidated Statement of Cash Flows

Figures in US$ `000	Notes	Group 2025	Group 2024
Cash flows from operating activities			
Receipts from customers		18,706	33,536
Payments to suppliers and employees		(30,342)	(36,491)
Net cash flows used in operations	37	**(11,636)**	**(2,955)**
Interest paid		(239)	(523)
Interest received		490	292
Net cash used in operating activities		**(11,385)**	**(3,186)**
Cash flows used in investing activities			
Purchase of property, plant and equipment	5	(17,892)	(840)
Investment in development assets	6	(22)	-
Investment in exploration assets	7	(6)	(3,498)
Proceeds from the disposal of other financial assets	12	5,479	36
Purchase of other financial assets	12	(3,046)	(880)
Cash flows used in investing activities		**(15,487)**	**(5,182)**
Cash flows from / (used in) financing activities			
Proceeds from issuing shares		37,883	-
Share issue costs		(1,313)	-
Share application money received	14	5,000	-
Proceeds received from borrowings	19	2,527	214
Repayments of borrowings	19	(9,553)	(106)
Repayments of leases	18	(764)	(355)
Cash flows from / (used in) financing activities		**33,780**	**(247)**
Net increase / (decrease) in cash and cash equivalents before effect of exchange rate changes		**6,908**	**(8,615)**
Effect of exchange rate changes on cash and cash equivalents		432	59
Net increase / (decrease) in cash and cash equivalents		**7,340**	**(8,556)**
Cash and cash equivalents at beginning of the year		(1,057)	7,499
Cash and cash equivalents at end of the year	**13**	**6,283**	**(1,057)**

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

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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 is 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:

- The operating mine, Uitkomst Colliery;
- The Makhado steelmaking HCC project that has been granted a mining right (MR), an integrated water use licence (IWUL) and an environmental authorisation;
- The Vele Aluwani Colliery, a semi soft coking and thermal coal mine; and
- Three exploration and development stage coking and thermal coal projects, namely Chapudi, Generaal and Mopane, all of which have been granted MR's and together form the Greater Soutpansberg Project.

Going Concern

The Group has incurred a net loss after tax for the 12 months ended 30 June 2025 of $35.98 million (30 June 2024: loss of $14.6 million). During the period ended 30 June 2025, net cash outflows from operating activities were $11.4 million (30 June 2024 net outflow: $3.2 million). As at 30 June 2025 the Group had a net current liability position of $11.7 million (30 June 2024: net current liability position of $24.4 million).

These conditions create uncertainty that may cast doubt on the entity's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The original loan facilities extended to Baobab Mining & Exploration (Pty) Ltd in terms of agreements entered into in or around May 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 is accrued on the IDC Loans and Baobab is repaying the capital portion of the Loans in terms of a repayment programme extending to March 2026 pending fulfilment of conditions precedent to the Settlement Agreement. The capital and interest outstanding as at 30 June 2025 is $11.3 million (ZAR200 million).

The Directors have prepared a cash flow forecast for the twenty one-month period ended 30 June 2027 (from the date of approval and signing of the financial statements date), taking into account available facilities, additional debt funding that although not yet concluded is expected to be raised, and expected cash flows to be generated by Uitkomst Colliery and Makhado Colliery. New funding requirements mostly require providing reserve capital and cover any potential risk associated with the startup of Makhado. On the basis of the debt funding initiatives being successfully implemented, the forecast indicates that the Group will have sufficient cash to fund their operations for at least the twelve-month period from the date of signing this report.

These cash flow forecast referred to above include various assumptions, including progressing several alternatives to raise the additional funding including, but not limited to:

- The completion of the equity subscription by Kinetic Development Group Limited;
- Successful implementation of the Uitkomst turnaround strategy;
- Successful start-up and ramp up of Makhado;
- Further debt funding to meet potential working capital requirements in the new calendar year; and
- Formalising the offtake arrangements for Makhado.

The conclusion of the debt funding initiatives as included in the cash flow forecast and for purposes of obtaining the additional funding as outlined above, and renegotiations with the IDC on an extension of the repayment of the current facility, is by its nature an involved process subject to successful negotiations with the external funders. The debt funding due diligence process to raise additional funding has already commenced. Although a significant portion of Makhado's final product has been committed in terms of an offtake agreement, there remains uncertainty on the placement of the Thermal coal produced. Rail capacity within South Africa remains under pressure and securing allocations to Port and potential clients will improve the Groups going-concern outlook significantly.

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Accounting Policies

1. General information (continued)

Going Concern (continued)

The Directors are of the opinion that the going concern basis remains appropriate as a result of the following considerations:

• The Group has reached agreement with the IDC on the deferral of the settlement of the existing loan and progressed with the application of securing a new facility;
• Securing offtake agreements is well advanced;
• The Group has a history of successful capital raisings to meet the Group's funding requirements; and
• Strategic, operational, marketing and technical support provided by new equity partner expected to unlock additional cashflows.

The Group has the capacity if necessary to reduce its operating cost structure in order to minimise its working capital requirements and defer the timing of any future capital raising.

Adequate funding is available for the development of the early coal Makhado Project and additional funding requirements are to cover working capital requirements.

Based on the above, the directors are satisfied at the date of signing the annual financial statements that there are reasonable grounds to believe that they will be successful in obtaining the required funding and that the Group will have sufficient funds to meet its obligations as and when they fall due and are of the opinion that the use of the going concern basis remains appropriate.

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, Accounting Standards and Interpretations, and comply with other requirements of the law. The financial statements comprise the consolidated financial statements of the Company. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the consolidated financial statements and notes of the Company and the Group comply with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

The consolidated financial statements were authorised for issue by the Directors on 29 September 2025.

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 fair value less costs of disposal in AASB 136.

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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 the consolidated statement of profit or loss and other comprehensive income.

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.

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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 or loss of joint control over a jointly controlled entity 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.

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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. Prior to such reclassification, exploration and evaluation expenditure capitalised is tested for impairment.

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 year-end, development assets relate primarily to the Makhado project, which has advanced to the development phase in anticipation of commencing operations in December 2025. Exploration assets associated with Uitkomst remain under IFRS 6 as feasibility and commercial viability have not yet been achieved. 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 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 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.

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.

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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%
Mining, property, plant and equipment	10% - 50%
Motor vehicles	20% – 33%
Leasehold improvements	Shorter of lease term and useful lives

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.

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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.

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.

2.10 Leasing (continued)

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.

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

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2.12 Financial instruments (continued)
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 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.

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.

• If a financial asset was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the financial asset in the determination of interest. If, in subsequent periods, the financial asset is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate 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 a 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. Trade receivables that are more than 30 days past-due are assessed to have an increase in credit risk. 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.

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2.12 Financial instruments (continued)

Impairment (continued)

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: these are ECLs that result from all possible default events over the expected life of a financial instrument.

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.

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

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 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.

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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 and subsequently measured at amortised cost using the effective interest method.

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.

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2.13 Provisions (continued)

Rehabilitation provision (continued)

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.

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.

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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.

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, annual leave and sick 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.

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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).

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.

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 judgment is made that recovery of the carrying amount is unlikely, an impairment loss is recorded in profit or loss.

Development expenditure

Development activities commence after the commercial viability and technical feasibility of the project is established. Judgment 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 Company 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 Company 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;
- The Company has secured off-take and/or logistics agreements for a significant portion of the product produced by the mine and the pricing has been agreed; and
- The Company has the appropriate skills and resources to develop and operate the project.

3. Critical accounting estimates and key judgements (continued)

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 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. 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 feasability 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)	$201	(i)
Thermal coal price (real US$ per ton)	$113	(ii)
Rand/US$ exchange rate	18,65	(iii)
Real discount rates	8,91	
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 $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.

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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	1,657	
	-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.

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

Hard coking coal (HCC) price (real US$ per ton)	$214	(i)
Thermal coal price (real US$ per ton)	$109	(ii)
Rand/US$ exchange rate	18,83	(iii)
Real discount rates	12.10% - 15.5%	(iv)
In situ resource multiple valuation range (SA Rand per ton)	ZAR3 to ZAR6	(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 $210 per tonne and $265 per tonne, with a base case of $214 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 $109 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 R18.33 and R19.28 with a base case of R18.83.

(iv) Pre-tax real discount rates that reflect management's assessments of market conditions and risks specific to the various projects. Management's models considered between 20.64% and 12.80% for established and producing projects and 10.86% for future projects.

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3. Critical accounting estimates and key judgements (continued)

(v) Based on historic thermal and premium coal transactions in South Africa a weighted range of between R3 and R6 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.

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	123	
	-5%	N/A	N/A	(61)	(i)
Long-term thermal prices	+7.5%	N/A	N/A	38	
	-7.5%	N/A	N/A	(38)	(ii)
Long-term exchange rate	+6%	N/A	N/A	96	
	-3%	N/A	N/A	(48)	(iii)
Discount rate	+1%	1	-	(3)	(iv)
	-1%	(2)	-	3	

(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 price decrease by 24%, 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 60%, an impairment will be recognised for the Makhado Project.

(iii) Keeping all other inputs constant, this sensitivity scenario would not result in an impairment charge for the Makhado Project. Should the long-term exchange rate decrease by 19%, an impairment will be recognised for the Makhado Project.

(iv) Keeping all other inputs constant, this sensitivity scenario would result in no impairment charges for the Uitkomst Colliery, Vele Colliery or 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.

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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; 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.

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3. Critical accounting estimates and key judgements (continued)

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.

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.

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 International Accounting Standards Board that are relevant and effective for accounting periods beginning on or after 1 July 2024, as listed below:

Standard	Amendment	Title
Amendments to AASB 101	Amendment	Classification of Liabilities as Current or Non-current
Amendments to AASB 16	Amendment	Lease Liability in a Sale and Leaseback
Amendments to AASB 107 and AASB 7	Amendment	Supplier Finance Arrangements

Classification of Liabilities as Current or Non-current – Amendments to AASB 101

The amendments clarify that a right to defer settlement of a liability for at least 12 months after the reporting date must exist at the reporting date and be substantive. The requirement for the right to be "unconditional" was removed. Future compliance with loan covenants (i.e., after the reporting date) does not affect liability classification but must be disclosed if relevant.

The Group assessed its loan arrangements and concluded that these amendments did not impact the classification of any liabilities in the statement of financial position.

Lease Liability in a Sale and Leaseback – Amendments to AASB 16

The amendments clarify the subsequent measurement of lease liabilities arising from a sale and leaseback transaction. The Group does not have any sale and leaseback transactions, and therefore, the amendment did not have an impact on the consolidated financial statements.

Supplier Finance Arrangements – Amendments to AASB 107 and AASB 7

These amendments introduce specific disclosure requirements to improve transparency around supplier finance arrangements and their effect on liabilities, cash flows, and liquidity risk.

The Group has evaluated its payment arrangements and confirmed that it does not have material supplier finance arrangements. Accordingly, these amendments did not have a significant impact on the consolidated financial statements.

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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 121[1]	Amendment	Lack of Exchangeability
Amendments to AASB 9 and AASB 7[2]	Amendment	Classification and Measurement of Financial Instruments
Amendments to AASB 9 and AASB 7[2]	Amendment	Contracts Referencing Nature-dependent Electricity
Annual Improvements to AASB Standards – 2022–2024 Cycle[2]	Amendment	Various Standards
AASB 18[3]	New standard	Presentation and Disclosure in Financial Statements
IFRS 19[3]	New standard	Subsidiaries without Public Accountability: Disclosures

[1] Annual periods beginning on or after 1 January 2025
[2] Annual periods beginning on or after 1 January 2026
[3] Annual periods beginning on or after 1 January 2027

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

Lack of Exchangeability – Amendments to AASB 121

These amendments provide guidance on how to determine whether a currency is exchangeable and how to estimate the exchange rate when it is not. The Group uses observable market spot rates when translating foreign currency balances, and the amendments are not expected to have a material impact.

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. 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. Based on this assessment, the amendments are not expected to have a material impact on the Group's consolidated financial statements.

Contracts Referencing Nature-dependent Electricity – Amendments to AASB 9 and AASB 7

These amendments add new disclosure requirements to enable investors to understand the effect of contracts referencing nature-dependent electricity on an entity's financial performance and cash flows. The Group does not engage in such agreements; therefore, the amendments are not expected to have a material impact.

Annual Improvements to AASB Standards – 2022–2024 Cycle

This annual improvements cycle includes minor amendments to several standards, including AASB 1, AASB 7, AASB 9, AASB 10, and AASB 107. The Group is in the process of assessing these amendments but does not expect them to have a significant effect on the consolidated financial statements.

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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 is currently assessing the detailed implications of applying the new standard to the Group's consolidated financial statements. From the high-level preliminary assessment performed, 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 will apply the new standard from its mandatory effective date of 1 January 2027. 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.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits eligible subsidiaries to apply the recognition and measurement requirements of full AASB Accounting Standards with reduced disclosure requirements. Its objective is to reduce the financial reporting burden on subsidiaries of groups that prepare publicly available consolidated financial statements.

As the Group is listed and prepares publicly available consolidated financial statements in accordance with full AASB Accounting Standards, IFRS 19 may be applied to certain eligible subsidiaries within the Group that meet the scope criteria. Management will assess at the individual subsidiary level, whether the reduced disclosure requirements are appropriate and beneficial, taking into account regulatory requirements and the needs of users of the subsidiary's statutory 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 2025 - Group								
Balance at 1 July 2024								
At cost	7,865	12	22,142	1,316	14,543	-	750	**46,628**
Accumulated depreciation	(1,714)	(7)	(4,690)	(846)	(5,098)	-	(528)	**(12,883)**
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**

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Notes to the Consolidated Financial Statements

Figures in US$ `000

Reconciliation for the year ended 30 June 2024 - Group	Land and buildings	Leasehold improvements	Mining property, plant and equipment	Motor vehicles	Mining rights	Construction in progress	Other	Total
Balance at 1 July 2023								
At cost	7,552	12	21,025	1,339	14,038	-	658	**44,624**
Accumulated depreciation	(1,535)	(5)	(3,324)	(786)	(3,987)	-	(366)	**(10,003)**
Carrying amount	**6,017**	**7**	**17,701**	**553**	**10,051**	**-**	**292**	**34,621**
Movements for the year ended 30 June 2024								
Additions	43	-	612	111	-	-	73	**839**
Depreciation	(121)	(2)	(328)	(169)	(349)		(148)	**(1,117)**
Impairment loss recognised in profit or loss**	-	-	(883)	-	-	-	-	**(883)**
Rehabilitation asset*	-	-	(263)	-	-	-	-	**(263)**
Exchange differences relating to:	212	-	613	16	(257)	-	5	**589**
- Cost	270	-	768	45	505	-	27	**1,615**
- Accumulated depreciation	(58)	-	(155)	(29)	(762)	-	(22)	**(1,026)**
Disposals	-	-	-	(41)	-	-	-	**(41)**
- Cost	-	-	-	(179)	-	-	(8)	**(187)**
- Accumulated depreciation	-	-	-	138	-	-	8	**146**
Property, plant and equipment at the end of the year	**6,151**	**5**	**17,452**	**470**	**9,445**	**-**	**222**	**33,745**
Closing balance at 30 June 2024								
At cost	7,865	12	22,142	1,316	14,543	-	750	**46,628**
Accumulated depreciation	(1,714)	(7)	(4,690)	(846)	(5,098)	-	(528)	**(12,883)**
Carrying amount	**6,151**	**5**	**17,452**	**470**	**9,445**	**-**	**222**	**33,745**

*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.

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5.1 Additional disclosures

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 it's 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 judgments.

	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**

FY2024 impairment assessment

The Vele Project was impaired by $0.9 million in FY2024. The Vele operations were suspended in December 2023. In terms of AASB 136 –Impairment of Assets, management identified this as an indicator that the Vele assets may be impaired.

The recoverable value of the project was calculated using the value-in-use approach to estimate the recoverable amount of the project, 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 $0.9 million was recognised during the year ended 30 June 2024.

In calculating the value-in-use, management forecasted the cash flows associated with the project over its expected life of 16 years until 2040 based on the current life of mine model and based on the mine being outsourced to a contractor. The cash flows are estimated for the assets of the colliery in its current condition together with capital expenditure required for the colliery to continue with operations, discounted to its present value using a post-tax discount rate that reflects the current market assessments of the risks specific to the Vele Colliery. The identification of impairment indicators and the estimation of future cash flows required management to make significant estimates and judgments.

	US$ '000
Carrying value of Vele cash generating unit	12,853
Recoverable value	(11,916)
Impairment expense (allocated to mining property, plant and equipment)	883
Impairment expense (allocated to exploration and evaluation assets)	53
Total impairment expense recognised in profit or loss	**936**

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5. Property, plant and equipment (continued)

5.1 Additional disclosures (continued)

Details of the key assumptions used in the value in use calculation at 30 June 2024 have been included below:

	Long term (real)
Outsourced contractor fee flat rate: (ZAR per tonne)	200
Discount rate	15.50%
Production start date	FY2025

6. Development assets

Balances at year end and movements for the year

Reconciliation for the year

Figures in US$ `000	Group 2025	Group 2024
Balance at the beginning of the year	-	-
Movements for the year		
Additions	22	-
Transfer from exploration and evaluation assets (Note 7)	26,593	-
Foreign exchange differences	695	-
Development assets at the end of the year	**27,310**	**-**

The Makhado Project was reclassified from exploration and evaluation assets to development expenditure during the 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 2025 - Group	
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 development assets (Note 6)	(26,593)
Transfer to property, plant and equipment (Note 5)	(9,121)
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**

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 2024 - Group	Exploration and evaluation assets
Balance at 1 July 2023	
At cost	78,556
Accumulated impairment losses	(12,874)
Carrying amount	**65,682**
Movements for the year ended 30 June 2024	
Additions	2,877
Increase through net exchange differences	2,025
Movement in rehabilitation asset	14
Impairment loss recognised in profit or loss*	(53)
Exploration and evaluation assets at the end of the year	**70,545**
Closing balance at 30 June 2024	
At cost	83,936
Accumulated impairment losses	(13,391)
Carrying amount	**70,545**

*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 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**

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Figures in US$ `000

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8. Intangible assets (continued)

Reconciliation for the year ended 30 June 2024 - Group	Biodiversity asset
Balance at 1 July 2023	
At cost	536
Accumulated amortisation and impairment losses	(33)
Carrying amount	**503**
Movements for the year ended 30 June 2024	
Increase through net exchange differences	18
Amortisation	(33)
Intangible assets at the end of the year	**488**
Closing balance at 30 June 2024	
At cost	556
Accumulated amortisation and impairment losses	(68)
Carrying amount	**488**

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:	Group 2025	Group 2024
Consumable stores	699	618
Finished goods	138	40
Provision for obsolete inventory	(11)	(15)
	826	**643**

The cost of inventories recognised as an expense during the year was $0.06 million (2024 expense: $3.5 million).

10. Trade and other receivables

Trade and other receivables comprise:	Group 2025	Group 2024
Trade receivables	2,090	2,139
Expected credit loss allowances	(1,589)	(1,979)
Trade receivables - net balance	501	160
Prepaid expenses - Non-financial asset	580	193
Other receivables	912	705
Value added tax - Non-financial asset	607	271
	2,600	**1,329**

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.

Figures in US$ `000	Group 2025	Group 2024

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. 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. Based on the year-end ECL assessment performed, a provision of $1.59 million (FY2024: $1.98 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 decrease in the ECL is a result of a long outstanding debtor that was previously provided for in the prior year and made the payment in the current year.

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:

	Group 2025	Group 2024
Deferred tax liability	(1,110)	(3,349)
Net deferred tax liabilities	**(1,110)**	**(3,349)**
The deferred tax balances at year-end are represented by:		
Provision	409	597
Assessed loss	1,967	-
Debtors deposits	131	-
Right-of-use assets	731	595
Deferred tax assets	**3,238**	**1,192**
Capital allowances on property plant and equipment	(3,698)	(4,144)
Exploration asset	(132)	-
Lease liabilities	(518)	(397)
Deferred tax liabilities	**(4,348)**	**(4,541)**

11.2 Reconciliation of deferred tax movements

Group	Deferred tax	Total
Opening balance at 1 July 2024	(3,349)	**(3,349)**
Provisions	(161)	**(161)**
Capital allowances	256	**256**
Lease liabilities	(110)	**(110)**
Right-of-use asset	119	**119**
Foreign Exchange	37	**37**
Assessed loss	1,967	**1,967**
Debtors deposits	131	**131**
Closing balance at 30 June 2025	**(1,110)**	**(1,110)**

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Figures in US$ `000	Group 2025	Group 2024

11. Deferred tax (continued)

11.2 Reconciliation of deferred tax movements

Group	Deferred tax	Total
Opening balance at 1 July 2023	(3,648)	**(3,648)**
Provisions	117	**117**
Capital allowances	147	**147**
Prepayments	(79)	**(79)**
Foreign Exchange	38	**38**
Right-of-use asset	76	**76**
Closing balance at 30 June 2024	**(3,349)**	**(3,349)**

Deferred income tax assets are recognised for tax losses carried-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred tax assets of $31.5 million (2024: $39 million) in respect of losses amounting to $6.5 million (2024: $11.2 million) and unredeemed capital expenditure of $24.9 million (2024: $24.9 million) that can be carried forward against future taxable income.

12. Other financial assets

12.1 Other financial assets incorporates the following balances:

Equity securities in investment funds*	3,703	6,077
Deposits**	606	590
Short-term liquid investments*	333	-
	4,642	**6,667**
Non-current assets	4,309	6,667
Current assets	333	-
	4,642	**6,667**

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	6,667	5,239
Revaluations	68	237
Interest received	230	104
Disposal of investment	(5,479)	-
Acquisition of investments	2,713	863
Foreign exchange differences	110	224
At the end of the year	**4,309**	**6,667**

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Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2025	Group 2024

12. Other financial assets (continued)

Current		
At the beginning of the year	-	-
Acquisition of investments	333	-
At the end of the year	**333**	**-**

13. Cash and cash equivalents

Balances with banks	7,388	234
Bank overdrafts	(1,105)	(1,291)
	6,283	**(1,057)**
Restricted cash	24	23
	24	**23**

The bank overdraft relates to an ABSA facility that was secured during the 2020 financial year, from ABSA Bank for $1.4 million (ZAR 24.9 million). The facility is for short-term working capital requirements and potential expansion opportunities. It has a floating coupon at the South African Prime rate of 10.5% plus 3.5%, with the operating mine, Uitkomst Colliery, 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		
595,813,087 (2024: 414,013,348) fully paid ordinary shares	1,107,698	1,071,127
	1,107,698	**1,071,127**
Share application money received	5,000	-
	1,112,698	**1,071,127**

Share reconciliation	**Number of shares**	**Number of shares**
Shares outstanding - beginning of the period	414,013,348	399,665,202
Issued during the year	181,799,739	14,348,146
Shares outstanding - closing	**595,813,087**	**414,013,348**

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.

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14. Issued capital (continued)

14.2 Additional disclosures (continued)

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 as at the reporting date. This amount is presented within equity, as the company has no obligation to refund it.

15. Reserves

15.1 Classification of reserves

Figures in US$ `000	Group 2025	Group 2024
Capital profit reserves	91	91
Share based payment reserve	884	1,715
Foreign currency translation reserve	(49,081)	(51,295)
Total reserves	**(48,106)**	**(49,489)**

15.2 Detailed analysis of reserves

	Capital profit reserve	Foreign currency translation 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	-	2,214	-	2,214
Total reserves for the year	**91**	**(49,081)**	**884**	**(48,106)**

	Capital profit reserve	Foreign currency translation reserve	Share based payment reserve	Total
2024				
Opening balance	91	(53,020)	1,992	(50,937)
Performance grants issued	-	-	706	706
Performance rights vested	-	-	(111)	(111)
Performance rights expired	-	-	(872)	(872)
Exchange differences on translating foreign operations	-	1,725	-	1,725
Total reserves for the year	**91**	**(51,295)**	**1,715**	**(49,489)**

Figures in US$ `000	Group 2025	Group 2024

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.

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.

16. Provisions

16.1 Provisions comprise:

	Group 2025	Group 2024
Provisions for employee benefits*	434	461
Other provisions	6,739	8,700
	7,173	**9,161**
Other provisions	6,739	8,700
Non-current portion	**6,739**	**8,700**
Provisions for employee benefits	434	461
Current portion	**434**	**461**
	7,173	**9,161**

*Consists of leave pay provisions within the Group.

16.2 Other provisions

	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**

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Figures in US$ `000

16. Provisions (continued)

	Biodiversity offset provision	Rehabilitation provision	Water use license provision	Total
Balance at 1 July 2023	**2,015**	**4,020**	**-**	**6,035**
Unwinding of discount (Refer to note 28)	124	428	-	552
Reclassification of provision from accrued expenses	-	-	2,186	2,186
Change in assumptions on rehabilitation provisions*	-	(356)	-	(356)
Foreign exchange	75	145	63	283
Balance at 30 June 2024	**2,214**	**4,237**	**2,249**	**8,700**

*The change in assumptions regarding rehabilitation provisions was allocated as follows: $1.6 million (2024 $0.3 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.

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Figures in US$ `000	Group 2025	Group 2024

16. Provisions (continued)

The current estimate available is inflated by the long-term South African inflation rate of 3% annually and the discount rates applied to establish the current obligations are the annual 10 year South Africa government bond rate at 30 June 2025 of 9.95% (2024: 10.21%) for the provision raised during the 2025 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 2025. The GSP is still in Exploration phase and no formal decision to mine is currently in place.

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 IAS 37 – 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:

	Group 2025	Group 2024
Trade creditors	4,500	3,258
Accrued liabilities	2,668	1,720
Other payables	1,221	608
Value added tax - Non-financial instrument	715	771
Total trade and other payables	**9,104**	**6,357**

The average credit period is 30 days.

18. Lease liabilities

18.1 Lease liabilities comprise:

	Group 2025	Group 2024
Lease obligation	1,650	2,272
Non-current liabilities	988	1,539
Current liabilities	662	733
	1,650	**2,272**

The movement in the lease liabilities is as follows:

	Group 2025	Group 2024
Balance at beginning of the year	2,272	2,505
Modification*	(18)	(89)
Additions	-	212
Interest	252	261
Repayments	(764)	(641)
Terminations	(137)	(57)
Foreign exchange differences	45	81
Balance at end of year	**1,650**	**2,272**

Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2025	Group 2024

18. Lease liabilities (continued)

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

Not later than one year	705	834
Later than one year and not later than two years	630	756
Later than two years and not later than three years	99	683
Later than three years and not later than four years	86	119
Later than four years and not later than five years	91	84
Later than five years	796	865
	2,407	3,341
Less future finance charges	(757)	(1,069)
Present value of minimum lease payments	**1,650**	**2,272**

*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	356	398
Buildings	369	512
Machinery	183	446
Motor vehicles	418	609
	1,326	**1,965**

The movement in the right-of-use assets is as follows:		
Balance at beginning of the year	1,965	2,322
Depreciation (Refer to note 18.3 per class of asset)	(557)	(503)
Modification	(18)	(89)
Disposal	(103)	(45)
Foreign exchange differences	39	280
Balance at end of the year	**1,326**	**1,965**

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

Depreciation		
Land and buildings	188	215
Machinery	166	78
Motor vehicles	203	210
Other expenses		
Interest expense	247	261
Short term lease expenses	145	71

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Figures in US$ `000	Group 2025	Group 2024

19. Borrowings

19.1 Borrowings comprise:

Industrial Development Corporation of South Africa Limited	11,288	17,262
Dendocept (Pty) Ltd	-	220
ABSA Instalment sale agreements	45	63
	11,333	**17,545**
Balance at beginning of the year	17,545	16,344
Loans raised during the year	2,527	214
Repayments	(9,553)	(106)
Interest accrued	336	488
Foreign exchange differences	478	605
Balance at end of year	**11,333**	**17,545**
Non-current portion of borrowings	26	36
Current portion of borrowings	11,307	17,509
	11,333	**17,545**

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 May 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 is accrued on the IDC loans and Baobab is repaying the capital portion of the loans in terms of a repayment programme extending to March 2026 pending fulfilment of conditions precedent to the Settlement Agreement. The capital and interest outstanding as at 30 June 2025 is $11.3 million (ZAR200 million).

Eagle Canyon International Group Holding (Hong Kong) Limited

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

Dendocept (Pty) Ltd

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

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Figures in US$ `000	Group 2025	Group 2024

20. Revenue

Revenue for the year ended 30 June 2025 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	17,452	36,665
Total revenue	**17,452**	**36,665**

20.2 Disaggregation of revenue from contracts with customers

	Sale of coal	Total
Revenue per geographical region		
2025 - South Africa	17,452	**17,452**
Revenue per geographical region		
2024 - South Africa	36,665	**36,665**

21. Cost of sales

Cost of sales comprise:		
Employee costs*	9,357	8,496
Security	316	311
Inventory	(61)	3,521
Mining expense	3,325	11,988
Human Resources	1,783	1,355
Training	105	32
Wash plant	436	499
Administration	1,453	1,945
Environmental	137	212
Logistics	-	9
Utilities	1,370	1,580
Engineering	3,685	4,108
Safety	358	335
Depreciation	1,711	1,945
Royalties	108	206
Total cost of sales	**24,083**	**36,542**

*Prior to year-end, management announced a restructuring plan which created a constructive obligation as at 30 June 2025. An accrual for termination benefits of $0.3 million has been recognised. The retrenchment process is ongoing subsequent to year-end. No further amounts have been accrued beyond those relating to the constructive obligation at reporting date.

22. Other operating income

Other operating income comprises:		
Rental income	-	25
Scrap sales	8	17
Sundry income	118	738
Recoveries of costs from mining contractor	-	2,861
Total other operating income	**126**	**3,641**

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Figures in US$ `000	Group 2025	Group 2024

23. (Reversal of)/expected credit losses

(Reversal)/expected credit losses on trade receivables	(343)	1,525

The current year amount of $0.3 million represents a reversal of expected credit losses on trade receivables. The prior year amount of $1.5 million relates to expected credit losses recognised during the 2024 financial year. Refer to Note 10 for further details.

24. Administrative expenses

Administrative expenses comprise:

Employee expense	3,382	6,591
Professional fees	762	1,334
Legal expenses	124	112
Other overheads	2,301	6,996
Depreciation	337	340
Total administrative expenses	**6,906**	**15,373**

Included in administrative expenses is auditors' remuneration as follows:

Remuneration for audit and review of the financial report:

Forvis Mazars - South Africa	226	182
Forvis Mazars - Australia	43	48
	269	**230**

25. Impairment expense

Impairment of assets	24,328	936

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 7 for further detail.

The impairment of assets in the 2024 year arose mainly from the impairment of the Vele Project amounting to $0.9 million. Refer to note 5.1 for further detail.

26. Other gains

Other gains comprise:

Loss on disposal of assets	(2)	-
Foreign exchange (loss)/gain		
- Unrealised	122	2
- Realised	(214)	(132)
Revaluation of investments	42	208
Other	62	143
Total other gains	**10**	**221**

Figures in US$ `000	Group 2025	Group 2024

27. Finance income

Finance income comprises:		
Interest income from financial instruments:		
Interest income	715	321

28. Finance costs

Finance costs included in profit or loss:		
Interest on borrowings	336	488
Unwinding of discount from provisions	513	552
Interest on leases	247	261
Interest paid on bank and third parties	486	237
Total finance costs	**1,582**	**1,538**

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)	(418)
Total income tax expense	**(2,269)**	**(418)**

The Group's effective tax rate for the year was 5.9% (2024: 2.7%). The tax rate used for the 2025 and 2024 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	(38,253)	(15,066)
Income tax calculated at 30.0%	(11,476)	(4,520)
Tax effect of		
- Expenses that are not deductible for tax purposes*	8,573	115
- Differences in tax rates	(986)	14
- Income not taxable	(34)	(37)
- Other temporary differences not recognised	-	58
- Unrecognised deferred tax asset	1,654	3,952
Tax charge	**(2,269)**	**(418)**

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

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Figures in US$ `000	Group 2025	Group 2024

30. Share-based payments

Employee share option plan

The Group maintains 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 at 30 June 2025 and 30 June 2024.

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. The Performance Rights were valued using a hybrid employee share option pricing model to simulate the total shareholder return of MC Mining at the expiry date using a Monte-Carlo model.

2022 Options (Executive Director)

On 24 October 2022, 12,000,000 options were issued to the Executive Director. The number of options are split between three tranches. The market based vesting conditions are to be measured over the period from 24 October 2022 to 30 June 2023 for Tranche 1, the two-year period from 24 October 2022 to 30 June 2024 for Tranche 2 and the three-year period from 24 October 2022 to 30 June 2025 for Tranche 3.

Inputs into the model were as follows:

	Tranche 1	**Tranche 2**	**Tranche 3**
Number of rights	4,000,000	4,000,000	4,000,000
24 October 2022 closing price	ZAR2.50	ZAR2.50	ZAR2.50
Exercise price	Nil	Nil	Nil
Vesting date	30-Jun-23	30-Jun-24	30-Jun-25
Performance period (years)	0.68	1.68	2.68
Risk free interest rate	9.41%	9.41%	9.41%

4,000,000 (Tranche 1) of Options issued on 24 October 2022 vested on 30 June 2023.
4,000,000 (Tranche 2) of Options issued on 24 October 2022 lapsed on 25 September 2024.
4,000,000 (Tranche 3) of Options issued on 24 October 2022 lapsed on 25 September 2024.

Movement in performance rights

Performance rights outstanding at beginning of the year	-	11,512,386
Performance rights expired	-	(1,164,240)
Performance rights shares issued	-	(10,348,146)
Outstanding at the end of the period	**-**	**-**

Movement in options

Options outstanding at beginning of the year	8,000,000	12,000,000
Options shares issued	-	(4,000,000)
Options expired	(8,000,000)	-
Outstanding at the end of the period	**-**	**8,000,000**

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Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2025	Group 2024

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)	7.06	3.54
Loss for the year attributable to owners of the company	(35,681)	(14,319)
Earnings used in the calculation of basic earnings per share	**(35,681)**	**(14,319)**
Weighted number of ordinary shares	**'000**	**'000**
Weighted average number of ordinary shares used in the calculation of basic earnings per share	505,850	405,255

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 share that would be issued on conversion of all the dilutive ordinary shares into ordinary shares.

Headline earnings per share (in line with JSE requirements)

The calculation of headline loss per share at 30 June 2025 was based on the headline loss attributable to ordinary equity holders of the Company of $11.4 million (2024: $13.4 million) and a weighted average number of ordinary shares outstanding during the period ended 30 June 2025 of 505,849,773 (2024: 405,255,162).

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	(35,681)	(14,319)
Impairment expense (refer note 25)	24,328	936
Total tax effects of adjustments*	-	-
Total non-controlling interest effects of adjustments*	-	-
Earnings used in the calculation of headline earnings per share	**(11,353)**	**(13,383)**
Total headline earnings per share (cents)	**(2.25)**	**(3.31)**

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

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Figures in US$ `000

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).

32.2 Segments

	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
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)

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Figures in US$ `000	Group 2025	Group 2024

32. Segment information (continued)

32.2 Segments (continued)

Year ended 30 June 2024	Exploration	Mining	Total
Revenue	-	36,665	**36,665**
Cost of sales	-	(36,542)	**(36,542)**
- Salaries	-	(8,494)	**(8,494)**
- Other costs	-	(28,048)	**(28,048)**
Gross profit	**-**	**123**	**123**
Other income	-	3,360	**3,360**
Expected credit losses	-	(1,340)	**(1,340)**
Other operating (losses)/gains	(2)	135	**133**
Net Impairment expense	-	(936)	**(936)**
Administrative expenses	(2,462)	(3,990)	**(6,452)**
- Salaries	(929)	(323)	**(1,252)**
- Other costs	(1,533)	(3,667)	**(5,200)**
Operating loss	**(2,464)**	**(2,648)**	**(5,112)**
Interest income	61	117	**178**
Finance costs	(500)	(906)	**(1,406)**
Loss before tax	**(2,903)**	**(3,437)**	**(6,340)**
Income tax credit	-	418	**418**
Segment net loss after tax	**(2,903)**	**(3,019)**	**(5,922)**
Segment assets	70,917	33,809	104,726
Items included in the Group’s measure of segment assets			
- Addition to non-current assets	3,448	1,126	4,574
Segment liabilities	(21,063)	(16,686)	(37,749)

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

	Group 2025	Group 2024
Segment profit or loss as reported	(31,101)	(5,922)
Other operating income	17	280
Other operating (losses)/gains	(69)	89
Administrative expenses	(4,991)	(8,922)
Interest income	486	142
Finance costs	(326)	(130)
Expected credit losses	-	(185)
Group loss after tax	**(35,984)**	**(14,648)**

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32. Segment information (continued)

32.3.2 Total segment assets

Figures in US$ `000	Group 2025	Group 2024
Segment total assets as reported	99,914	104,726
Unallocated property, plant and equipment	5,095	5,085
Unallocated other financial assets	1,403	4,303
Unallocated current assets	7,938	822
Unallocated exploration and evaluation assets	300	292
Unallocated right-of-use assets	273	411
Restricted cash	24	-
Group total assets	**114,947**	**115,639**

32.3.3 Total liabilities

Figures in US$ `000	Group 2025	Group 2024
Segment total liabilities as reported	(30,389)	(37,749)
Unallocated liabilities	(1,350)	(2,483)
Group total liabilities	**(31,739)**	**(40,232)**

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.

Figures in US$ `000	Group 2025	Group 2024
South Africa	17,452	36,665
Group revenue by location of operations	**17,452**	**36,665**

32.3.5 Non-current assets by location of operations

Figures in US$ `000	Group 2025	Group 2024
South Africa	93,326	100,469
Total non-current assets	**93,326**	**100,469**

33. Related parties

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

Figures in US$ `000	Group 2025	Group 2024
Short-term employee benefits	713	1,099
Termination benefits	518	-
Share-based payments	-	240
	1,231	**1,339**

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 95.4 million ordinary shares 16% (FY2024:23.9%) in the Company.

During FY2025, the Uitkomst Colliery sold nil (FY2024: 54,117t) of coal to Overlooked Colliery (Pty) Ltd (Overlooked) at market related prices prior to Overlooked being a related party. The sales generated revenue of Rnil million ($nil million) (FY2024: R62 million ($3.3 million)). Mr Senosi is Overlooked's CEO and controlling shareholder.

33. Related parties (continued)

Christine (Yi) He is the interim Managing Director and Chief Executive Officer of MC Mining and owns 36.9 million ordinary shares 6.2% as at 30 June 2025(FY2024: 8.9%) in the Company. The company entered into a 5 year lease agreement in August 2022 to rent office space from CRI-Eagle Investment (Pty) Ltd. CRI-Eagle Investment (Pty) Ltd is owned by Christine He. The monthly rental per lease agreement is R250,000 ($13,760) per month, with a 6% escalation each year on the 1st of July. The total lease liability at 30 June 2025 amounts to R6.8 million ($0.38 million).

KDG is a related party of the Group by virtue of its ability to exercise significant influence. As at 30 June 2025, KDG held 30.5% of the Company's issued share capital. During FY2025, a significant corporate milestone was the strategic investment by KDG, which will result in KDG acquiring a 51% controlling interest in MC Mining once all funding tranches are completed. The First Closing was successfully completed on 30 August 2024, with KDG subscribing for a 13.04% equity interest in MC Mining for US$12.97 million. The Second Closing, valued at approximately US$77 million, was approved by shareholders at an extraordinary general meeting on 23 January 2025 and will be paid in nine staged instalments aligned to project milestones.

34. Events after the reporting date

Uitkomst Colliery Turnaround Plan
Prior to year-end, management announced a restructuring plan at the Uitkomst Colliery, creating a constructive obligation as at 30 June 2025. Accordingly, an accrual of US$0.3 million for termination benefits has been recognised at year-end.

Subsequent to year-end, the Group commenced broader implementation of the Turnaround Plan. This includes underground mining layout reconfiguration, modifications to the CHPP to enhance yields, and a reduction in workforce numbers from 430 to 366 employees. The retrenchment process is ongoing, but no further accruals have been recognised beyond the constructive obligation at reporting date. The strategy also aims to secure longer-term coal offtake agreements to stabilise pricing and reduce earnings volatility

KDG investment and funding
Prior to year-end, the Group entered into an agreement with KDG to increase its shareholding to a controlling interest in the Company. As at 30 June 2025, the transaction had not yet been completed and therefore no adjustments have been made in the financial statements. Completion is expected subsequent to year-end.

In addition, the staged second closing of KDG's strategic investment, totalling US$77 million, remains in progress after year-end. Instalments will continue to be released in line with agreed Makhado Project development milestones, ensuring that project funding is available as construction activities advance. These developments represent non-adjusting events after the reporting period.

IDC Settlement Agreement
Subsequent to year-end, and upon fulfilment of the conditions precedent, the IDC will subscribe for shares representing 14.32% of Baobab Mining & Exploration Proprietary Limited as part of the settlement agreement, resulting in the Group's interest in Baobab reducing to 84.31% and the consolidated non-controlling interest increasing.

Apart from the matters described above, no events have occurred since the end of the financial year that have significantly affected, or may significantly affect, the operations, results, or 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.

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Figures in US$ `000		Group 2025	Group 2024

35. Financial instruments (continued)

35.1 Categories of financial instruments

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

	Note		
Financial assets			
Trade and other receivables[1]	10	1,413	865
Cash and cash equivalents[1]	13	7,388	234
Restricted cash[1]	13	24	23
Other financial assets[1] [2]	12	4,642	6,667
Total financial assets		**13,467**	**7,789**
Financial liabilities			
Borrowings[1]	19	11,333	17,545
Bank overdraft[1]	13	1,105	1,291
Trade and other payables[1]	17	8,389	5,586
Leases[1]	18	1,650	2,272
Total financial liabilities		**22,477**	**26,694**

[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 is observable.

Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities. The balances classed here are financial assets comprising 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 and Loss) during the year nor were any assets transferred between levels.

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

As at 30 June 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at FVTPL	-	6,077	-	6,077

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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 Company'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 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**

30 June 2024	**Held in GBP $'000**	**Held in AUD$'000**	**Held in USD $'000**	**Total**
Financial assets				
- Trade and other receivables	-	10	-	10
- Trade and other receivables	67	-	-	67
Total financial assets	**67**	**10**	**-**	**77**
Financial liabilities				
- Trade and other payables	(2,807)	(2,184)	-	(4,991)
Total financial liabilities	**(2,807)**	**(2,184)**	**-**	**(4,991)**

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Figures in US$ `000	Group 2025	Group 2024

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 10% increase and decrease in the US dollar against the relevant foreign currencies. 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 10% change in foreign currency rates.

	Impact on post tax profit	
Judgements on reasonable possible movements	**2025**	**2024**
USD increase by 10%	33	(491)
USD decrease by 10%	(33)	491

The assumed 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	**2025**	**2024**
Increase of 2% (2024: 2%) in interest rate	(55)	(75)
Decrease of 2% (2024: 2%) in interest rate	55	75
Increase of 5.0% (2024: 5.0%) in interest rate	(138)	(187)
Decrease of 5.0% (2024: 5.0%) in interest rate	138	187

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.

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Notes to the Consolidated Financial Statements

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 not being 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:

Figures in US$ `000	Group 2025	Group 2024
Other financial assets	4,642	6,667
Restricted cash	24	23
Trade and other receivables	1,414	865
Cash and cash equivalents	7,388	234
	13,468	**7,789**

35. Financial instruments (continued)

35.4 Credit risk (continued)

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:

Figures in US$ `000	Group 2025	Group 2024
Balance at 1 July	1,979	311
Net remeasurement of loss allowance	(343)	1,525
Foreign exchange differences	(47)	143
Balance at 30 June	**1,589**	**1,979**

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

Figures in US$ `000

35. Financial instruments (continued)

35.5 Liquidity risk (continued)

Maturities of financial liabilities (continued)

	Less than 12 months	Between 2 and 5 years	Over 5 years	Total
Year ended 30 June 2024				
Financial liabilities				
Trade and other payables (Note 17)	5,681	-	-	**5,681**
Bank overdraft (Note 13)	1,291	-	-	**1,291**
Lease liabilities (Note 18)	834	1,642	865	**3,341**
Borrowings (Note 19)	17,651	50	-	**17,701**
	25,457	**1,692**	**865**	**28,014**

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 Group maintained its target-gearing ratio, determined as the proportion of net debt to equity, at 20% (2024: 20%).

Balances of managed capital

	Group 2025	Group 2024
Net debt (1)	3,945	17,311
Equity (2)	83,208	75,407
Debt to equity ratio	5%	23%

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.

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Notes to the Consolidated Financial Statements

Figures in US$ `000	Group 2025	Group 2024

37. Reconciliation of loss before tax to net cash used in operations

Loss before tax	**(38,253)**	**(15,066)**
Adjustments for:		
Finance income	(715)	(321)
Finance costs	1,581	1,539
Depreciation and amortisation	1,444	1,663
Impairment loss	24,328	936
Share-based payments	-	686
Movement in expected credit losses	(343)	1,525
Re-valuation of investments	(70)	(208)
Rehabilitation adjustment	-	(108)
Inventory write-off reversal	(61)	-
Movement in provisions	(1,178)	66
Foreign exchange losses	(92)	119
Change in operating assets and liabilities:		
Adjustments for (increase) / decrease in inventories	(122)	3,445
Adjustments for (increase) / decrease in trade accounts receivable	(920)	2,225
Adjustments for increase in trade payables	2,765	544
Net cash flows from operations	**(11,636)**	**(2,955)**

38. Income tax paid

Amounts payable at the beginning of the year	(257)	(276)
Amounts payable at the end of the year	264	257
Foreign exchange movement	(7)	19
	-	**-**

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Figures in US$ `000

39. Contingencies and commitments

Contingent liabilities

The Group has no significant contingent liabilities at the reporting date.

Commitments

In addition to the commitments of the parent entity as disclosed under note 41, subsidiary companies have typical financial commitments associated with their MR's granted by the South African DMRE.

40. Controlled entities

Particulars in relation to controlled entities

	Country of incorporation	30 June 2025 %	30 June 2024 %
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 have rights to the asset, 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 which don't have 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.

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Figures in US$ `000

41. Parent entity financial information

Summary financial information	2025	2024
Non-current assets	321,334	273,314
Current assets	475	176
Total assets	321,809	273,490
Current liabilities	2,720	3,082
Total liabilities	2,720	3,082
Net assets	319,089	270,407
Shareholders' Equity		
Issued capital	716,119	656,216
Accumulated deficit and reserves	(396,007)	(383,015)
	320,112	273,201
Loss for the year	(1,022)	(2,794)
Total comprehensive loss	(1,022)	(2,794)

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)

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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%

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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%

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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	KwaZuluNatal~	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%

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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	KwaZuluNatal~	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

<> net smelter royalty of 0.5%

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Shareholder information

The shareholder information set out below was applicable as at 1 September 2025.

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	229,678,834	35.7%
2	Goldway Capital Investment Limited	125,386,172	19.5%
3	Senosi Group Investment Holdings (pty) ltd	95,357,455	14.8%
4	Longelephant International Trade Limited	50,162,581	7.8%

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	229,678,834	35.7%
2	Goldway Capital Investment Limited	125,386,172	19.5%
3	Senosi Group Investment Holdings (pty) ltd	95,357,455	14.8%
4	Longelephant International Trade Limited	50,162,581	7.8%
5	Dendocept Proprietary Limited	28,265,593	4.4%
6	Jun Liu & Lu Zhang	26,499,345	4.1%
7	Pacific Goal Investment Limited	24,927,757	3.9%
8	Ying He Yuan Investment (S) Pte Ltd	21,413,462	3.3%
9	Yi He	8,664,674	1.3%
10	Jun Liu	6,735,240	1.0%
11	Justin Collen	2,900,000	0.5%
12	Xiaowen Hou	1,830,000	0.3%
13	Florence Duval	1,226,604	0.2%
14	Stephen Rowse	1,196,203	0.2%
15	Stephen Taylor	902,717	0.1%
16	Kai Wang	731,554	0.1%
17	Jacobus Ignatius De Wet	730,000	0.1%
18	Willem Kruger	639,233	0.1%
19	Baldwin Khosa	559,140	0.1%
20	FlatexDeGiro Bank AG	558,027	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.

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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	758	0.02%
1,001 to 5,000	93	0.04%
5,001 to 10,000	35	0.04%
10,001 to 100,000	52	0.27%
100,001 and over	29	99.63%

The number of shareholders holding less than a marketable parcel of ordinary shares is 836.

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Corporate information

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Bankers

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ABSA Bank
North Campus 15 Alice Lane Sandton,
South Africa

Auditors

Forvis Mazars
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307 Queen Street
Brisbane Queensland 4001
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

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Resources and Reserve Statement as at 30 June 2025

Introduction

MCM reviews and reports its mineral Resources at least annually to coincide with its financial year-end of 30 June. If there are any material changes to the mineral Resources over the course of the financial year, the Company is required to promptly report these changes. The Uitkomst Colliery was mined continuously during FY2025. The Vele Aluwani Colliery operations were suspended in December 2023.

The following 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 An 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), Mr C Archer (706388), Mr B Bruwer (701068) and Mr K Dippenaar (400079/94); who consent to the inclusion of this extract of the resources and reserves into the MC Mining Integrated Annual Report 2025.The principle competent persons involved in this declaration are Mr M. Maphisa in terms of the Resource declaration. Mr B Bruwer and Mr C.W. Archer in terms of the Reserve declaration. Mr Maphisa is in the full time employ of MCM as the Principle Projects Geologist. Mr Sparrow, Mr Bruwer and Mr Archer are consultants to MCM. Mr Sparrow and Mr Bruwer in terms of the projects and Mr Archer and Mr K Dippenaar in terms of the Uitkomst Colliery.

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

Mr Bruwer is a qualified mining engineer and registered member of good standing with the SAIMM (South African Institute of Mining and Metallurgy) (701068).

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

Mr Archer is a qualified mining engineer and registered member of good standing with the SAIMM (706388).

Mr K Dippenaar is a registered professional scientist of good standing with the South African Council for Natural Scientific Professions (SACNASP) (400079/94).

All parties have consented to the inclusion of the Resources and Reserves in the FY2025 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.

Background

MCM has several Operations and Projects that will be reported.

Operating Colliery

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)

Suspended Operation

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.

Projects at various stages of development

Makhado Project, 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: https://www.mcmining.co.za/investors-and-media/technical-reports. The resources and reserves are at 30th June 2025 for all assets. The statement below is relevant for the Mineral assets under MC Mining Limited's control on 30th June 2025. 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), Mr C Archer (706388), Mr B Bruwer (701068) and Mr K Dippenaar (400079/94); who consent to the inclusion of this extract of the resources and reserves into the MC Mining Integrated Annual Report 2025.

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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		14,747	14,010	13,273	70%	9,291
Mopane Project[3]		109,435	98,492	94,916	97%	92,012
Makhado Project[7]		387,340	367,980	241,945	69%	166,942
Total Measured Resources		**658,311**	**612,592**	**355,487**		**273,598**
Vele Aluwani Colliery[8]	**Indicated**	426,854	362,826	3,961	100%	3,961
Uitkomst Colliery		3,750	3,375	3,188	70%	2,232
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		**809,638**	**706,160**	**161,711**		**139,935**
Vele Aluwani Colliery[8]	**Inferred**	218,932	175,145	704	100%	704
Uitkomst Colliery		5,747	4,885	4,597	70%	3,218
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		**8,706,921**	**6,977,464**	**1,701,254**		**1,274,786**
Grand Total Resource		**10,174,870**	**8,296,216**	**2,218,452**		**1,688,319**

[1] https://www.mcmining.co.za/investors-and-media/technical-reports/
[2] The JORC and SAMREC compliant coal resource is at the 30th June 2025 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.
[8] Vele Aluwani Colliery - The Vele Aluwani Colliery 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.

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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	Proved	23,306	3,404	1,362	-	100%
Makhado Project		227,400	97,756	20,672	17,281	
Uitkomst Colliery		9,064	6,261	4,204		70%
Total Proven		**259,770**	**107,421**	**26,238**	**17,281**	
Vele Aluwani Colliery	Probable	301,371	3,188	1,275	-	100%
Makhado Project		68,600	8,498	1,846	1,415	69%
Uitkomst Colliery		1,960	1,282	0,882	-	70%
Total Probable		**371,931**	**12,968**	**4,003**	**1,415**	
Grand total Reserves		**631,701**	**120,389**	**30,241**	**18,696**	

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

[2] The Makhado Project reserves have been re-evaluated in the implementation plan and declared in a public statement in June 2024.

[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 are based on a detailed Life of Mine layout (1st July 2025).

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

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Resource and Reserve Statement Comparison

A depletion Model based on the footprint of the mined-out areas of Uitkomst Colliery and calculation considering the production for the 2024/2025 financial year. The Makhado Project has undergone a detailed mining re-evaluation based on the ongoing implementation plan as announced in June 2024, resulting in the upgrade of significant reserves from Probable to Proved. The Vele Aluwani Colliery operations have been suspended.

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**	-0,500	-0,475	-0,450	70%	-0,315
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 Measured Resources		**-0,500**	**-0,475**	**-0,450**		**-0,315**
Vele Aluwani Colliery[8]		0,000	0,000	0,000	100%	0,000
Uitkomst Colliery	**Indicated**	-0,267	-0,240	-0,227	70%	-0,159
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		**-0,267**	**-0,240**	**-0,227**		**-0,159**
Vele Aluwani Colliery[8]		0,000	0,000	0,000	100%	0,000
Uitkomst Colliery		-1,354	-1,151	-1,083	70%	-0,758
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		**-1,354**	**-1,151**	**-1,083**		**-0,758**
Grand Total Resource[2]		**-2,121**	**-1,867**	**-1,760**		**-1,232**

[1] https://www.mcmining.co.za/investors-and-media/technical-reports/
[2] The JORC and SAMREC compliant coal resource is at the 30th June 2025 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 - The Vele Aluwani Colliery 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.

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

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	0,000	0,000	0,000	0,000	69%
Uitkomst Colliery	Proven	-0,714	-0,469	-0,268	0,000	70%
Total Proven		**-0,714**	**-0,469**	**-0,268**	**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	0,005	0,028	0,004	0,000	70%
Total Probable		**0,005**	**0,028**	**0,004**	**0,000**	
Grand total Reserves		**-0,709**	**-0,440**	**-0,264**	**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.

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