



**MCMining**  
LIMITED

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**Consolidated Annual Financial Statements  
for the year ended 30 June 2024**  
(Expressed in United States Dollars unless otherwise stated)

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Index

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|                                                                         | <b>Page</b> |
|-------------------------------------------------------------------------|-------------|
| Directors' Report                                                       | 2 - 21      |
| Consolidated Entity Disclosure Statement                                | 22          |
| Directors' declaration                                                  | 23          |
| Independent Auditor's Report                                            | 24 - 27     |
| Auditor Independence                                                    | 28          |
| Consolidated Statement of Financial Position                            | 29          |
| Consolidated Statement of Profit or Loss and Other Comprehensive Income | 30          |
| Consolidated Statement of Changes in Equity                             | 31          |
| Consolidated Statement of Cash Flows                                    | 32          |
| Accounting Policies                                                     | 33 - 54     |
| Notes to the Consolidated Financial Statements                          | 55 - 86     |
| Tenements held by MC Mining and its Controlled Entities                 | 87 - 90     |
| Shareholder information                                                 | 91 - 92     |
| Corporate information                                                   | 93          |

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

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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 2024. 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:

|                      |                                                           |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------|-----------------------------------------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Nhlanhla Musa Nene   | Independent<br>Non-Executive<br>Chairman                  | Resigned:<br>25 April 2024 | Mr Nene holds a B Comm. (Hons) University of the Western Cape, Certificate in Economics (UNISA) and a Certificate in Macro and Microeconomics (University of London). He is a former Minister of Finance, in the Republic of South Africa. Previously, he served as Deputy Minister of Finance and Chairman of the Public Investment Corporation, the largest institutional investor in South Africa. During his years in public office he represented South Africa at a number of Multilateral Institutions (IMF, World Bank, G20, BRICS, Commonwealth and the AfDB). Prior to this he held senior positions in financial services at Metropolitan Life. He served as Chairman of the Supervisory Board of Arise BV (Dutch based investment company with a focus on Africa), Non-executive Chairman of Thebe Investment Corporation and is a former director of Access Bank. He also served as Interim Director and Head of Wits Business School as well as Honorary Adjunct Professor: Wits Business School and is the Chairman of the Old Mutual Super Fund.                                                    |
| Godfrey Gomwe        | Managing<br>Director and<br>Chief<br>Executive<br>Officer | Resigned:<br>30 June 2024  | Mr Gomwe holds the qualifications of Chartered Accountant(Zimbabwe) B Acc(UZ) MBL(UNISA). He is a businessman with over 35 years' experience in metals and mining industries. He is the former Chief Executive Officer (CEO) of Anglo American Plc's global Thermal Coal business, whose responsibilities included oversight over Anglo's Manganese interests in the joint venture with BHP. He served as Executive Director of Anglo American South Africa until August 2012. His career included roles as Head of Group Business Development Africa, Finance Director and Chief Operating Officer of Anglo American South Africa. Previously, Godfrey was Executive Chairman and Chief Executive of Anglo American Zimbabwe Limited. He also served on a number of Anglo American operating Boards and Executive Committees including Kumba Iron Ore, Anglo American Platinum, Highveld Steel & Vanadium and Mondi South Africa, the latter two in the capacity of Chairman. Prior to joining Anglo American in 1999, Godfrey held many leadership positions and directorships in listed and unlisted companies. |
| Andrew David Mifflin | Independent<br>Non-Executive<br>Director                  | Resigned:<br>30 June 2024  | Mr Mifflin obtained his BSc. (Hons) Mining Engineering from Staffordshire University and has a Master's Degree in Business Administration. Andrew has over 30 years' experience specifically in the coal mining arena. His experience spans across various organisations such as British Coal Corporation, Xstrata and more recently GVK Resources. He has gained in depth knowledge in coal operations, both thermal and hard coking coal as well as in project development.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

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

|                          |                                    |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------|------------------------------------|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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.                                                                                                                                                                                                                            |
| Khomotso Brian Mosehla   | Independent Non-Executive Director | Resigned: 19 April 2024 | Mr Mosehla is a Chartered Accountant (South Africa) and completed his articles with KPMG. Khomotso worked at African Merchant Bank Limited for five years where he gained a broad range of experience, including management buy-out, leveraged buy-out and capital restructuring/raising transactions. In 2003, he established Mvelaphanda Corporate Finance for the development of Mvelaphanda's mining and non-mining interests. Mr Mosehla served as a director on the boards of several companies, including Mvelaphanda Resources Limited and was the CFO of The Housing Development Agency until March 2021. Mr Mosehla served as a Chairman of Northam Platinum Limited as well as Zambezi Platinum Limited until June 2021.                   |
| An Chee Sin              | Non-Executive Director             |                         | 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, MC Mining's single largest shareholder. |

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

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

|                     |                                                                       |                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------|-----------------------------------------------------------------------|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Yi (Christine) He   | Interim,<br>Managing<br>Director and<br>Chief<br>Executive<br>Officer | Appointed as<br>interim from 1 July<br>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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Julian Hoskin       | Independent<br>Non-Executive<br>Director                              | Resigned:<br>30 June 2024                   | <p>Mr Hoskin is a qualified Mining Engineer and holds a Master of Applied Science (Mining Geomechanics) as well as a master's degree in Business Administration. During his 39 years working as a professional engineer, Mr Hoskin has been exposed to resource evaluation and project delivery and has managed mining operations as well as the construction of metallurgical and thermal coal mines and ports.</p> <p>Mr Hoskin has developed numerous mining projects in Australia, driving them up the value-curve from exploration to feasibility stage and ultimately, construction of the coal mine. He has extensive mine management experience and has also optimised established mines, ensuring improved returns for stakeholders.</p>                                                                                                       |
| Muhui (Chris) Huang | Non-Executive<br>Director                                             | Appointed:<br>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 i.e. LexisNexis and Generis AG focusing on business development and cross-boarder projects managements. Muhui is a member of Australasian Institute of Mining and Metallurgy (AUSIMM). |
| Bill Pavlovski      | Independent<br>Non-Executive<br>Director                              | Appointed:<br>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).                                                                                                                                                                                                                                                        |

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

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

|                |                                          |                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------|------------------------------------------|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Dr Steele West | Independent<br>Non-Executive<br>Director | Appointed:<br>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. |
|----------------|------------------------------------------|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### 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                          | Period of directorship |
|---------------------|----------------------------------|------------------------|
| Nhlanhla Nene       | None                             |                        |
| Godfrey Gomwe       | AECI Limited                     | 2015 - 2023            |
|                     | Econet Wireless Zimbabwe Limited | 2013 - Present         |
|                     | Orion Minerals Limited           | 2019 - Present         |
| An Chee Sin         | None                             |                        |
| Andrew Mifflin      | None                             |                        |
| Zhen Brian He       | None                             |                        |
| Khomotso Mosehla    | Northam Platinum Limited         | 2015 – 2021            |
|                     | Zambezi Platinum Limited         | 2015 – 2021            |
| Mathews Senosi      | None                             |                        |
| Christine He        | None                             |                        |
| Julian Hoskin       | None                             |                        |
| Muhui (Chris) Huang | None                             |                        |
| Bill Pavlovski      | None                             |                        |
| Dr Steele West      | 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 2024:

| Director   | Ordinary shares    | Performance rights | Unlisted options |
|------------|--------------------|--------------------|------------------|
| N Nene     | -                  | -                  | -                |
| G Gomwe    | 4,000,000          | -                  | 8,000,000        |
| A Chee Sin | -                  | -                  | -                |
| A Mifflin  | -                  | -                  | -                |
| Z He       | 264,845            | -                  | -                |
| J Hoskin   | -                  | -                  | -                |
| Y He       | 36,930,267         | -                  | -                |
| K Mosehla  | -                  | -                  | -                |
| M Senosi   | 95,357,455         | -                  | -                |
|            | <b>136,552,567</b> | <b>-</b>           | <b>8,000,000</b> |

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

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### 4. Remuneration of directors and key management personnel

Information about the remuneration of directors is set out in the remuneration report of this directors' report, on pages 14 to 21.

### 5. Share options granted to directors and senior management

During and since the end of the financial year, share options and performance rights were granted to Directors of the Company and of its controlled entities as part of their remuneration. Details of options and performance rights granted to Directors and senior management are set out on pages 20 to 21.

### 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. 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 15-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

- No fatalities (FY2023: nil) and two LTIs (Lost Time Injury) (FY2023: six);
- The Uitkomst Colliery produced 498,589 tonnes (t) (FY2023: 444,984t) of run of mine (ROM) coal during the 12 months to 30 June 2024;
- Uitkomst sold 350,677t of coal in FY2024 (FY2023: 241,366t) comprising 340,203t (FY2023: 230,181t) of premium duff and sized peas and 10,474t (FY2023: 11,185t) of high ash, coarse discard coal - generating sales revenue of \$27.7 million (FY2023: \$34.2 million);
- Thermal coal prices increased during FY2024 from \$103/t in July 2023 to \$109/t at the end of the financial year;
- The low API4 thermal coal prices in FY2024 combined with high trucking and port logistics costs resulted in Uitkomst continuing to sell its coal on the domestic market in FY2024;
- Hlalethebeni Outsource Services Proprietary Limited (HOS) notified the Company during December 2023 that due to production challenges, combined with elevated logistics costs and the depressed API4 coal price, it would exercise the hardship clause in the Contract Mining Agreement. This resulted in HOS downscaling operations, which was completed during January 2024, and the commencement of a production optimisation strategy. This strategy (Operation Shandukani) will potentially include, amongst others, changes to the mining methodology, as well as further modifications to the Coal Handling Processing Plant (CHPP) as well as securing access to rail transport at competitive prices. The evaluation of these measures is expected to be completed in H1 FY2025 and is expected to result in improved profitability at the colliery.

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

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### 8. Review of operations - salient features (continued)

- The Company continued the Makhado Project composite funding initiatives during the year and anticipates that the funding will be concluded in H2 CY2024. The various initiatives underway include amongst others, build, own, operate, transfer (BOOT) funding arrangements, additional senior debt as well as debt/equity instruments, coal prepayments and construction-based financing.
- The Company executed the mining rights for the Mopane, Generaal and Chapudi project areas during FY2024.

### 9. Corporate salient features

- Securing of a ZAR20 million (\$1.1 million) Loan Facility from Dendocept (Pty) Ltd (Dendocept). ZAR4 million was withdrawn from the loan facility as at 30 June 2024;
- The completion of the previously announced off market Offer process resulted in a change of control of the Company, where the Goldway consortium owns 93% of the company. Goldway is owned by Senosi Group Investment Holdings Proprietary Limited and Dendocept Proprietary Limited and certain other shareholders and associates;
- MC Mining cancelled its AIM (London) stock exchange listing;
- Ms He was appointed as Interim Managing Director and Chief Executive Officer;
- Resignation of Godfrey Gomwe as Managing Director & Chief Executive Officer of MC Mining;
- Resignation of Andrew Mifflin and Julian Hoskin as Independent Non-Executive Directors of MC Mining;
- Resignation of Khomotso Mosehla as Independent Non-Executive Director of MC Mining;
- Resignation of Nhlanhla Nene as Independent Non-Executive Director and then as Chairman of MC Mining; and
- Appointment of Muhui (Chris) Huang as Non-Executive Director of MC Mining.
- Appointment of Bill Pavlovski as Independent Non-Executive Director of MC Mining.
- Appointment of Dr Steele West as Independent Non-Executive Director of MC Mining.

### 10. Subsequent events

- MC Mining entered into a A\$1.0m (US\$0.7m) unsecured loan facility with Eagle Canyon International Group Holding (Hong Kong) Limited;
- MC Mining Limited has reached an agreement with Hong Kong Stock Exchange (HKSE) main board listed Kinetic Development Group Limited (KDG) (1277.HK) the terms of which provide that KDG (or its designee) will subscribe, in two tranches, for a total of 51% of the post transaction issued share capital of MC Mining.

Under the terms of the agreement, KDG has subscribed for an initial 13.04% of MC Mining for an aggregate consideration of US\$12,970,588 and implied price per share of US\$0.2089 1 (at the prevailing exchange rates, AU\$0.30832 or ZAR3.72061 per share) on 4 September 2024. The second subscription for the remaining aggregate US\$77,029,412 will be effected within seven (7) business days of the fulfilment or waiver of the conditions precedent applicable to that subscription including obtaining shareholder approval at an Extraordinary General Meeting and receiving all relevant regulatory approvals;

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

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### 10. Subsequent events (continued)

- On 16 August 2024, MC Mining Limited announced that it would, subject to conditions, extend the validity period of the 8,000,000 share options that had been granted to Mr Godfrey Gomwe, the previous Managing Director & Chief Executive Officer as part of his employment contract. The validity period was extended to 28 August 2024. None of the conditions have been fulfilled within the stipulated timeframe of the extended validity period and the options have now lapsed and can no longer be exercised.

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 the majority of its coal on the domestic market.
- Operating cash flows of \$5.9 million (FY2023: \$5.8 million) generated by the Uitkomst Colliery;
- The R/\$ exchange rate continues to be volatile and gains/losses from these elements are unpredictable;
- Contributing to the net loss after tax of \$14.6 million (2023: \$4.3 million) were non-cash charges of \$5.9 million (FY2023: \$3.7 million) which includes the following:
  - Depreciation and amortisation of \$1.9 million (FY2023: \$2 million)
  - Share based payment expense of \$0.7 million (FY2023: \$0.9 million)
  - Total unrestricted cash balances at year-end of \$0.03 million (FY2023: \$7.5 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. 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:

- The issue of new equity to Kinetic Development Group Limited for cash in the Company; and
- Cash generated from the Company's collieries.

The Group also 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.

The conclusion of the debt and equity raise is by its nature an involved process and is subject to successful negotiations with the external funders and shareholders. Any equity raise is likely to be subject to a due diligence process. The Group has a history of successful capital raisings to meet the Group's funding requirements. The Company has historically successfully negotiated extensions to the repayment of outstanding debt facilities. The directors believe that at the date of signing the annual financial statements there are reasonable grounds to believe that they will be successful in achieving the matters set out above and that the Group will therefore have sufficient funds to meet their obligations as and when they fall due.

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

### 13. Future developments

MC Mining's flagship Makhado steelmaking Hard Coking Coal (HCC) project has secured the regulatory approvals and surface rights over the mining and processing areas. MC Mining is heavily invested in the Makhado Project as the complex regulatory environment in South Africa demanded significant capital and time investment to achieve its current 'shovel ready' status. The development of the Makhado Project is expected to deliver positive returns for shareholders and position MC Mining as South Africa's pre-eminent steelmaking HCC producer.

Makhado is expected to produce steelmaking HCC and would be the only significant steelmaking HCC producer in South Africa, resulting in obvious advantages for domestic steel producers. Development of Makhado is also expected to have a positive impact on employment and the general Limpopo province economy resulting in the creation of approximately 650 direct jobs.

The Makhado coal handling and processing plant (CHPP) optimisation study was completed by independent experts, resulting in the increase in annual capacity. The Company subsequently appointed Erudite (Pty) Ltd (Erudite) to complete the detailed designs for a full process design for the CHPP.

#### *Implementation Plan*

The Company also completed a five-year Makhado Project Implementation Plan in April 2023 with the goal of improving the accuracy of Makhado pre-feasibility studies from  $\pm 30\%$  accuracy to an estimated accuracy of  $\pm 10\%$ . The Implementation Plan for the first five years of production, also included a detailed execution plan for the construction of the East Pit, Makhado and related infrastructure and a detailed mine plan for the first five years of operations.

#### *LOM Plan and Coal Reserve*

Subsequent to the Implementation Plan, MC Mining prepared an updated LOM plan and Coal Reserve estimate for Makhado. This was completed in June 2023. The LOM plan builds on the five-year Implementation Plan and incorporates the exploitation of all portions of the East, Central and West Pit coal deposits that are mineable by surface mining methods. The updated Coal Reserve estimate was derived from the updated LOM plan using updated costs, macro-economic and coal price assumptions.

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 peak funding requirements to US\$46 million (ZAR860 million).

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)  | 262      |
| Stripping Ratio (Waste: ROM)                       | BCM: tonnes     | 2.5      |
| Steelmaking HCC yield                              | %               | 21.2     |
| Thermal coal yield                                 | %               | 17.6     |
| Total Coal Sales - all products                    | Mt              | 41.1     |
| Coal Sales 5,500 kcal thermal coal - Export        | Mt              | 18.6     |
| Coal Sales - Steelmaking HCC (Domestic and Export) | Mt              | 22.5     |
| Steelmaking HCC - Domestic                         | Mt              | 11.4     |
| Steelmaking HCC - Export                           | Mt              | 11.1     |

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

### 13. Future developments (continued)

The Makhado Project economics are detailed in the table below:

| Parameter                             |                                      | Unit of measure | LOM plan |
|---------------------------------------|--------------------------------------|-----------------|----------|
| Construction period                   |                                      | Months          | 18       |
| Long term ZAR:US\$ exchange rate used |                                      | ZAR:US\$        | 18.8     |
| Benchmark Prices<br>(real, long term) | Premium HCC price                    | US\$/t          | 214      |
|                                       | API4 (6,000 kcal) thermal coal price | US\$/t          | 109      |
| Realised Prices (real)                | 64 Mid Vol HCC (export)              | US\$/t          | 193      |
|                                       | 64 Mid Vol HCC (domestic)            | US\$/t          | 173      |
|                                       | Thermal coal 5,500 kcal              | US\$/t          | 31       |
| Fully-allocated Unit Costs (C3)       |                                      | US\$/saleable t | 85       |
| Construction Capital                  |                                      | ZAR 'Bn         | 1.7      |
| <b>Financial Evaluation Outcomes</b>  |                                      |                 |          |
| Peak Funding Requirements             |                                      | ZAR 'Bn         | 0.9      |
| Free cashflow (post tax)              |                                      | ZAR 'Bn         | 16.1     |
| Post-tax IRR                          |                                      | %               | 56       |
| Post-tax NPV(6%)                      |                                      | ZAR 'Bn         | 6.4      |
| Post-tax NPV(13%)                     |                                      | ZAR 'Bn         | 2.8      |
| Average payback period (years)        |                                      | Years           | 2.9      |

The Makhado NPV is most sensitive to variances in the USD:ZAR exchange rate, steelmaking HCC price and HCC yields. The NPV increases by 45%, 35% and 25%, respectively, when the USD:ZAR Forex rate, HCC price and HCC yields are each increased by 10%. Conversely, the NPV is less sensitive to changes in mining operating costs and product trucking costs. The NPV decreases by 12% and 9% when mining costs and product trucking costs are increased by 10% respectively.

#### *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. The Company has previously reported that due to the global economic downturn and lower coal prices, the colliery was placed on care and maintenance from August 2013.

The Vele colliery entered into a mining and processing outsourcing agreement with HOS in FY2023 and the Vele colliery was recommissioned in December 2022. The recommissioning of the Vele Colliery added a further cash generating unit to MC Mining's portfolio with limited financial or human capital contributions.

HOS was responsible for all mining and processing costs and the Company remains responsible for the colliery's regulatory compliance, rehabilitation guarantees, relationships with authorities and communities as well as the supply of electricity and water.

The Vele Colliery produced 119,849t (FY2023: 96,673t) of thermal coal during H1 FY2024.

HOS experienced operational challenges in attaining the targeted monthly saleable coal production while unit costs were adversely impacted by the lack of access to rail capacity to transport Vele's coal to port. The challenges experienced by HOS were exacerbated by the decline in the API4 export thermal coal price during CY2023. As a result, HOS exercised the hardship clause in the outsource agreement during December 2023 and commenced downscaling operations at Vele. The downscaling was completed during January 2024.

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

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### 13. Future developments (continued)

#### *Greater Soutpansberg Projects*

The exploration and development of MC Mining's three Soutpansberg coalfield projects namely the Chapudi, Mopane and Generaal project areas, is the catalyst for the long-term growth of the Company. The South African Department of Mineral Resources & Energy (DMRE) has granted mining rights for the three project areas comprising the GSP, which collectively contain over 7.0 billion gross tonnes in situ of inferred steelmaking HCC, SSCC and thermal coal resources. The exploration and development of the GSP positions the Company to be a potential long-term domestic and export steelmaking coal supplier. The Company executed the mining rights for the Mopane, Generaal and Chapudi project areas during FY2024. The Company anticipates commencing with the various studies required for the outstanding water and environmental regulatory approvals 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).

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 2024 (FY2023: nil).

### 17. Shares under option or issued on exercise of options or performance rights

There are 8,000,000 unissued shares under option as at 30 June 2024. 12,000,000 Options were issued to the previous Managing Director and CEO as part of his terms of engagement. 4,000,000 of the Options vested on 30 June 2023 and have been converted to ordinary MC Mining shares at no cost. 8,000,000 of the Options vested on 30 April 2024 and are convertible to ordinary MC Mining shares at no cost and expire on 28 August 2024.

There are no unissued performance rights granted as at 30 June 2024.

None of the conditions have been fulfilled within the stipulated timeframe of the extended validity period and the options have now lapsed and can no longer be exercised.

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

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### 18. Indemnification of officers and auditors

During the financial year, the Company paid a premium of \$0.2 million (FY2023: \$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.

### 19. 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.

### 20. 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.

### 21. Auditor's independence declaration

The auditor's independence declaration is included on page 28 of these consolidated financial statements.

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

### 22. 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 four scheduled and eight unscheduled board meetings were held as well as two Nomination and Remuneration Committee, two Safety and Health Committee meetings and two Audit and Risk Committee meetings were held.

| Director                | Board Meetings |          | Audit and Risk Committee Meetings |          | Nomination and Remuneration Committee Meetings |          | Safety, Health and Environment Technical Committee Meetings |          | Social & Ethics Committee Meetings |          |
|-------------------------|----------------|----------|-----------------------------------|----------|------------------------------------------------|----------|-------------------------------------------------------------|----------|------------------------------------|----------|
|                         | Held           | Attended | Held                              | Attended | Held                                           | Attended | Held                                                        | Attended | Held                               | Attended |
| N Nene <sup>1</sup>     | 12             | 9        | -                                 | -        | 1                                              | 1        | -                                                           | -        | -                                  | -        |
| G Gomwe <sup>2</sup>    | 12             | 12       | -                                 | -        | -                                              | -        | 2                                                           | 2        | 2                                  | 2        |
| A Mifflin <sup>3</sup>  | 12             | 12       | -                                 | -        | -                                              | -        | 2                                                           | 2        | -                                  | -        |
| An Chee Sin             | 12             | 9        | 4                                 | 4        | -                                              | -        | -                                                           | -        | -                                  | -        |
| J Hoskin <sup>4</sup>   | 12             | 11       | -                                 | -        | -                                              | -        | 2                                                           | 2        | -                                  | -        |
| KB Mosehla <sup>5</sup> | 12             | 7        | 4                                 | 4        | 1                                              | 1        | -                                                           | -        | -                                  | -        |
| M Senosi                | 12             | 12       | -                                 | -        | -                                              | -        | 2                                                           | 2        | 2                                  | 2        |
| Y He                    | 12             | 11       | -                                 | -        | 1                                              | 1        | -                                                           | -        | 2                                  | 1        |
| Z He                    | 12             | 11       | -                                 | -        | -                                              | -        | 2                                                           | 1        | 2                                  | -        |

<sup>1</sup> Resigned as Non-Executive Director on 25 April 2024.

<sup>2</sup> Resigned as Executive Director on 30 June 2024.

<sup>3</sup> Resigned as Non-Executive Director on 30 June 2024.

<sup>4</sup> Resigned as Non-Executive Director on 30 June 2024.

<sup>5</sup> Resigned as Non-Executive Director on 19 April 2024.

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

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### 23. 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 2024. 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;
- Heeding 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 (USD667,192).

The Board has a Nomination and Remuneration Committee which was made up as follows: Ms He (Chairman). The Company is in the process of appointing members. The Company does not have any scheme relating to retirement benefits for Non-Executive Directors.

### 24. Director and key management personnel details

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

- |                         |                                                        |
|-------------------------|--------------------------------------------------------|
| • N Nene                | Independent Chairman                                   |
| • G Gomwe               | Managing Director and CEO                              |
| • A Chee Sin            | Independent Non-Executive Director                     |
| • A Mifflin             | Independent Non-Executive Director                     |
| • KB Mosehla            | Independent Non-Executive Director                     |
| • M Senosi              | Non-Executive Director                                 |
| • Y He                  | Executive Director & Interim Managing Director and CEO |
| • J Hoskin              | Independent Non-Executive Director                     |
| • Z He                  | Non-Executive Director                                 |
| • M Huang               | Non-Executive Director                                 |
| • B Pavlovski           | Independent Non-Executive Director                     |
| • Dr S West             | Independent Non-Executive Director                     |
| • FM Duval <sup>1</sup> | General Manager: Sustainability                        |
| • SR Rowse <sup>1</sup> | General Manager: Finance and Administration            |

<sup>1</sup> Resigned as Key Management Personnel on 31 July 2024.

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

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### 24. 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 satisfied the definition of 'key management personnel' during the FY2024 and are separately disclosed in the remuneration report.

### 25. 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.

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

### 25. 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.

### 26. 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.

### 27. 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.

### 28. 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 2024.

|                                                                        | Year ended<br>30 June 2024<br>\$'000 | Year ended<br>30 June<br>2023<br>\$'000 | Year ended<br>30 June 2022<br>\$'000 | Year ended<br>30 June 2021<br>\$'000 | Year ended<br>30 June 2020<br>\$'000 |
|------------------------------------------------------------------------|--------------------------------------|-----------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Revenue                                                                | 36,665                               | 44,799                                  | 23,511                               | 20,702                               | 17,155                               |
| Net loss before tax                                                    | 15,066**                             | 4,008                                   | 20,719*                              | 12,107                               | 12,850                               |
| Net loss after tax                                                     | 14,648                               | 4,398                                   | 20,835                               | 11,837                               | 12,190                               |
| Share price at start of year                                           | A\$0.13                              | A\$0.10                                 | A\$0.10                              | A\$0.13                              | A\$0.67                              |
| Share price at end of year                                             | A\$0.14                              | A\$0.13                                 | A\$0.10                              | A\$0.10                              | A\$0.13                              |
| Basic and diluted loss per share (\$ cents) from continuing operations | 3.54                                 | 1.46                                    | 11.41                                | 7.76                                 | 8.55                                 |

\*includes net impairment expense of \$14.9 million

\*\*includes net impairment expense of \$0.9 million

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

### 29. Remuneration of directors and key management personnel

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

| 2024                            | Short term employee benefits |                | Share-based payments | Total            | Share based % of Total |
|---------------------------------|------------------------------|----------------|----------------------|------------------|------------------------|
|                                 | Salary and fees              | Bonus          | Performance rights   |                  |                        |
|                                 | \$                           | \$             | \$                   | \$               | %                      |
| <b>Non-Executive Directors</b>  |                              |                |                      |                  |                        |
| 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           | -                      |
| <b>Executive Directors</b>      |                              |                |                      |                  |                        |
| G Gomwe                         | 300,365                      | 368,933        | 517,100              | 1,186,398        | 44%                    |
|                                 | <b>823,397</b>               | <b>368,933</b> | <b>517,100</b>       | <b>1,709,430</b> | <b>44%</b>             |
| <b>Key management personnel</b> |                              |                |                      |                  |                        |
| FM Duval                        | 269,420                      | 199,224        | 31,094               | 499,738          | 6%                     |
| SR Rowse                        | 261,138                      | 188,369        | 30,324               | 479,831          | 6%                     |
|                                 | <b>530,558</b>               | <b>387,593</b> | <b>61,418</b>        | <b>979,569</b>   | <b>6%</b>              |
|                                 | <b>1,353,955</b>             | <b>756,526</b> | <b>578,518</b>       | <b>2,688,999</b> | <b>6%</b>              |

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

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

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

|                                 | Short term employee benefits |               |                         | Post-employment benefits | Share-based payments |                    | Total            | Share based % of Total |
|---------------------------------|------------------------------|---------------|-------------------------|--------------------------|----------------------|--------------------|------------------|------------------------|
|                                 | Salary and fees              | Bonus         | Non - monetary benefits | Super-annuation          | Termination benefits | Performance rights |                  |                        |
|                                 | \$                           | \$            | \$                      | \$                       | \$                   | \$                 | \$               | %                      |
| <b>2023</b>                     |                              |               |                         |                          |                      |                    |                  |                        |
| <b>Non-Executive Directors</b>  |                              |               |                         |                          |                      |                    |                  |                        |
| A Mifflin                       | 42,294                       | -             | -                       | -                        | -                    | 140,775            | 183,069          | 77%                    |
| An Chee Sin                     | 42,558                       | -             | -                       | -                        | -                    | 140,775            | 183,333          | 77%                    |
| KB Mosehla                      | 42,558                       | -             | -                       | -                        | -                    | 140,775            | 183,333          | 77%                    |
| N Nene                          | 66,877                       | -             | -                       | -                        | -                    | 140,775            | 207,652          | 68%                    |
| M Senosi                        | -                            | -             | -                       | -                        | -                    | 140,775            | 140,775          | 100%                   |
| Y He                            | -                            | -             | -                       | -                        | -                    | -                  | -                | -                      |
| J Hoskin                        | -                            | -             | -                       | -                        | -                    | -                  | -                | -                      |
| Z He                            | -                            | -             | -                       | -                        | -                    | 140,775            | 140,775          | 100%                   |
| J Liu                           | -                            | -             | -                       | -                        | -                    | 140,775            | 140,775          | 100%                   |
| <b>Executive Directors</b>      |                              |               |                         |                          |                      |                    |                  |                        |
| G Gomwe                         | 250,016                      | -             | -                       | -                        | -                    | 662,913            | 912,930          | 73%                    |
|                                 | <b>444,305</b>               | -             | -                       | -                        | -                    | <b>1,648,338</b>   | <b>2,092,643</b> | <b>79%</b>             |
| <b>Key management personnel</b> |                              |               |                         |                          |                      |                    |                  |                        |
| FM Duval                        | 236,264                      | 51,310        | -                       | -                        | -                    | 57,728             | 345,302          | 17%                    |
| SR Rowse                        | 240,980                      | 28,155        | -                       | -                        | -                    | 48,907             | 318,042          | 15%                    |
|                                 | <b>477,244</b>               | <b>79,465</b> | -                       | -                        | -                    | <b>106,635</b>     | <b>663,344</b>   | <b>16%</b>             |
|                                 | <b>921,549</b>               | <b>79,465</b> | -                       | -                        | -                    | <b>1,754,973</b>   | <b>2,755,987</b> | <b>64%</b>             |

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

Performance rights granted to the Directors following shareholder approval in November 2022, expired in June 2023 and were cancelled on 30 June 2023.

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

### 30. Share-based payments granted as compensation

No share-based payment compensation were granted to directors and key management personnel during the current financial year. The following grants of share-based payment compensation to directors relate to the previous financial year:

| Name                            | Option series     | Number granted    | Number vested    | % of grant vested | Number forfeited   | % of grant forfeited | % of compensation for the year consisting of options |
|---------------------------------|-------------------|-------------------|------------------|-------------------|--------------------|----------------------|------------------------------------------------------|
| <b>Non-Executive Directors</b>  |                   |                   |                  |                   |                    |                      |                                                      |
| N Nene                          | Performance grant | 1,000,000         | -                | -                 | (1,000,000)        | 100%                 | 68%                                                  |
| A Chee Sin                      | Performance grant | 1,000,000         | -                | -                 | (1,000,000)        | 100%                 | 77%                                                  |
| A Mifflin                       | Performance grant | 1,000,000         | -                | -                 | (1,000,000)        | 100%                 | 77%                                                  |
| K Mosehla                       | Performance grant | 1,000,000         | -                | -                 | (1,000,000)        | 100%                 | 77%                                                  |
| J Liu                           | Performance grant | 1,000,000         | -                | -                 | (1,000,000)        | 100%                 | 100%                                                 |
| M Senosi                        | Performance grant | 1,000,000         | -                | -                 | (1,000,000)        | 100%                 | 100%                                                 |
| Y He                            | Performance grant | -                 | -                | -                 | -                  | -                    | -                                                    |
| Z He                            | Performance grant | 1,000,000         | -                | -                 | (1,000,000)        | 100%                 | 100%                                                 |
| J Hoskin                        | Performance grant | -                 | -                | -                 | -                  | -                    | -                                                    |
| <b>Executive Director</b>       |                   |                   |                  |                   |                    |                      |                                                      |
| G Gomwe <sup>1</sup>            | Option grant      | 12,000,000        | 4,000,000        | 33%               | -                  | -                    | 73%                                                  |
|                                 |                   | <b>19,000,000</b> | <b>4,000,000</b> | <b>21%</b>        | <b>(7,000,000)</b> | <b>37%</b>           | <b>79%</b>                                           |
| <b>Key management personnel</b> |                   |                   |                  |                   |                    |                      |                                                      |
| FM Duval                        | Performance grant | 1,839,905         | 613,302          | 33%               | -                  | -                    | 17%                                                  |
| SR Rowse                        | Performance grant | 1,794,304         | 598,101          | 33%               | -                  | -                    | 16%                                                  |
|                                 |                   | <b>3,634,209</b>  | <b>1,211,403</b> | <b>33%</b>        | <b>-</b>           | <b>-</b>             | <b>16%</b>                                           |
|                                 |                   | <b>22,634,209</b> | <b>5,211,403</b> | <b>23%</b>        | <b>(7,000,000)</b> | <b>-</b>             | <b>64%</b>                                           |

<sup>1</sup> The Board approved the vesting of Mr Gomwe's Options on 30 June 2023. The vesting of the remaining Options remain subject to the satisfaction of the applicable vesting criteria.

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

### 31. Loans from Key Management Personnel

No loans were provided to or received from Key Management Personnel during the years ended 30 June 2024 and 30 June 2023.

### 32. Other Transactions

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

### 33. Director and key management personnel equity holdings

Option holdings

8,000,000 share options exist as at 30 June 2024. 4,000,000 of these options vested on 30 June 2023 and were granted to the former Managing Director and CEO as part of his engagement terms. 4,000,000 of the vested options were exercised during the financial year.

|                           | Held at 1 July 2023 | Granted as remuneration | Exercised          | Expired/Other changes | Held at 30 June 2024 |
|---------------------------|---------------------|-------------------------|--------------------|-----------------------|----------------------|
| <b>Executive Director</b> |                     |                         |                    |                       |                      |
| G Gomwe                   | 12,000,000          | -                       | (4,000,000)        | -                     | 8,000,000            |
|                           | <b>12,000,000</b>   | <b>-</b>                | <b>(4,000,000)</b> | <b>-</b>              | <b>8,000,000</b>     |

The movement during the reporting period in the number of performance grants over ordinary shares potentially vesting before 30 June 2024 subject to performance criteria, held directly, indirectly or beneficially by each director including their personally-related entities, is as follows:

|                                 | Held at 1 July 2023 | Granted as remuneration | Exercised          | Expired/Other changes | Held at 30 June 2024 |
|---------------------------------|---------------------|-------------------------|--------------------|-----------------------|----------------------|
| <b>Key management personnel</b> |                     |                         |                    |                       |                      |
| FM Duval                        | 2,350,106           | -                       | (2,095,006)        | (255,100)             | -                    |
| SR Rowse                        | 2,037,421           | -                       | (1,915,863)        | (121,558)             | -                    |
|                                 | <b>4,387,527</b>    | <b>-</b>                | <b>(4,010,869)</b> | <b>(376,658)</b>      | <b>-</b>             |
|                                 | <b>4,387,527</b>    | <b>-</b>                | <b>(4,010,869)</b> | <b>-</b>              | <b>-</b>             |

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

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

### 33. Director and key management personnel equity holdings (continued)

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<br>2023 | Granted as<br>remuneration | On exercise<br>of options | Other<br>changes | Held at 30<br>June 2024 |
|---------------------------------|------------------------|----------------------------|---------------------------|------------------|-------------------------|
| <b>Non-Executive Directors</b>  |                        |                            |                           |                  |                         |
| Z He                            | 264,845                |                            |                           |                  | 264,845                 |
| M Senosi                        | 95,357,455             | -                          | -                         | -                | 95,357,455              |
| Y He                            | 36,930,267             | -                          | -                         | -                | 36,930,267              |
| <b>Executive Director</b>       |                        |                            |                           |                  |                         |
| G Gomwe                         | -                      | 4,000,000                  | -                         | -                | 4,000,000               |
| <b>Key management personnel</b> |                        |                            |                           |                  |                         |
| FM Duval                        | -                      | 1,226,604                  | -                         | -                | 1,226,604               |
| SR Rowse                        | -                      | 1,196,203                  | -                         | -                | 1,196,203               |
|                                 | <b>132,552,567</b>     | <b>6,422,807</b>           | -                         | -                | <b>138,975,374</b>      |

This marks the end of the remuneration report.

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



**Mathews Senosi**  
Interim Chairman  
30 September 2024



**Yi (Christine) He**  
Interim Managing Director and Chief Executive Officer  
30 September 2024

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## 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             | 60               | South Africa  |
| Bakstaar 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             | 74               | 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  |

# MC Mining Limited

Consolidated Annual Financial Statements for the year ended 30 June 2024

## Directors' declaration

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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



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**Mathews Senosi**  
Interim Chairman  
30 September 2024



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**Yi (Christine) He**  
Interim Managing Director and Chief Executive Officer  
30 September 2024

## Independent Auditor's Report to the Directors of MC Mining Limited

### Report on the audit of the financial report

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 2024, 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, and the directors' declaration.

In our opinion, the accompanying financial report of MC Mining Limited 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 2024 and of its 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 describes several matters concerning the Group's ability to continue as a going concern. The Group's ability to continue as a going concern is dependent on future debt and equity funding at a level satisfactory to enable ongoing operations and completion of future development plans. These circumstances indicate that a material inherent 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.

## 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 period. 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.

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | How we addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Valuation of non-current assets (note 2, 3, 5, 6, 7, and 8)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>At 30 June 2024, the Group's consolidated statement of financial position included US\$113.4 million in non-current assets, comprising primarily of property, plant and equipment, development assets, and exploration and evaluation assets.</p> <p>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.</p> <p>During the current year, the Group recorded and impairment expense of US\$0.9 million which are disclosed in note 5.1.</p> <p>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 2024. As a result, we considered the impairment testing and the related disclosures to be a key audit matter.</p> | <p>Our procedures included, but were not limited to:</p> <ol style="list-style-type: none"> <li>Assessed whether the Group's determination of CGUs was in accordance with Australian Accounting Standards.</li> <li>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.</li> <li>Compared the Group's market capitalisation relative to its net assets.</li> <li>Performing analytical procedures and obtaining explanations from management.</li> <li>For the each CGU: <ol style="list-style-type: none"> <li>Assessed whether the valuation methodology applied by the Group to measure the recoverable amount of the CGU met the requirements of Australian Accounting Standards.</li> <li>Tested the mathematical accuracy of the impairment model.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>Performed sensitivity analysis to evaluate the effect on the CGU's recoverable amount of reasonably possible changes in key forecast assumptions.</li> <li>Recalculated the carrying amounts of each CGU and compared the carrying amount to the recoverable amount to determine whether any impairment expense was required.</li> <li>Assessed the adequacy of the disclosures in the financial report.</li> </ol> </li> </ol> |

## 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 2024, 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 the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material 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.
- 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

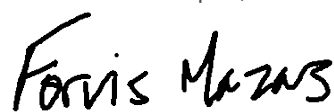
### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in page 14 to 21 of the directors' report for the year ended 30 June 2024.

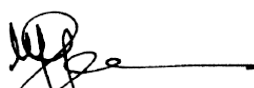
In our opinion, the Remuneration Report of MC Mining Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

### *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 ASSURANCE PTY LTD

  
M. J. Green  
Director

Brisbane, 30 September 2024

## **Auditor's independence declaration to the Members of MC Mining Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, 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 LTD**



M. J. Green  
Director

Brisbane, 30 September 2024

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Consolidated Statement of Financial Position

| Figures in US\$ '000                                     | Notes | Group<br>2024  | Group<br>2023  |
|----------------------------------------------------------|-------|----------------|----------------|
| <b>Assets</b>                                            |       |                |                |
| <b>Non-current assets</b>                                |       |                |                |
| Property, plant and equipment                            | 5     | 33,745         | 34,621         |
| Right-of-use assets                                      | 18    | 1,965          | 2,322          |
| Exploration and evaluation assets                        | 7     | 70,545         | 65,682         |
| Intangible assets                                        | 8     | 488            | 503            |
| Other financial assets                                   | 12    | 6,667          | 5,239          |
| Restricted cash                                          | 13    | 23             | 23             |
| <b>Total non-current assets</b>                          |       | <b>113,433</b> | <b>108,390</b> |
| <b>Current assets</b>                                    |       |                |                |
| Inventories                                              | 9     | 643            | 4,088          |
| Trade and other receivables                              | 10    | 1,329          | 4,458          |
| Cash and cash equivalents                                | 13    | 234            | 7,499          |
| <b>Total current assets</b>                              |       | <b>2,206</b>   | <b>16,045</b>  |
| <b>Total assets</b>                                      |       | <b>115,639</b> | <b>124,435</b> |
| <b>Equity and liabilities</b>                            |       |                |                |
| <b>Equity</b>                                            |       |                |                |
| Issued capital                                           | 14    | 1,071,127      | 1,069,871      |
| Accumulated loss                                         |       | (944,995)      | (930,676)      |
| Reserves                                                 | 15    | (49,489)       | (50,937)       |
| <b>Total equity attributable to owners of the parent</b> |       | <b>76,643</b>  | <b>88,258</b>  |
| Non-controlling interests                                |       | (1,236)        | (907)          |
| <b>Total equity</b>                                      |       | <b>75,407</b>  | <b>87,351</b>  |
| <b>Liabilities</b>                                       |       |                |                |
| <b>Non-current liabilities</b>                           |       |                |                |
| Provisions                                               | 16    | 8,700          | 6,035          |
| Deferred tax liabilities                                 | 11    | 3,349          | 3,648          |
| Lease liabilities                                        | 18    | 1,539          | 1,932          |
| Borrowings                                               | 19    | 36             | 48             |
| <b>Total non-current liabilities</b>                     |       | <b>13,624</b>  | <b>11,663</b>  |
| <b>Current liabilities</b>                               |       |                |                |
| Provisions                                               | 16    | 461            | 395            |
| Trade and other payables                                 | 17    | 6,357          | 7,881          |
| Current tax liabilities                                  |       | 257            | 276            |
| Lease liabilities                                        | 18    | 733            | 573            |
| Borrowings                                               | 19    | 17,509         | 16,296         |
| Bank overdraft                                           | 13    | 1,291          | -              |
| <b>Total current liabilities</b>                         |       | <b>26,608</b>  | <b>25,421</b>  |
| <b>Total liabilities</b>                                 |       | <b>40,232</b>  | <b>37,084</b>  |
| <b>Total equity and liabilities</b>                      |       | <b>115,639</b> | <b>124,435</b> |

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

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

| Figures in US\$ '000                                                                       | Notes | Group<br>2024   | Group<br>2023   |
|--------------------------------------------------------------------------------------------|-------|-----------------|-----------------|
| Revenue                                                                                    | 20    | 36,665          | 44,799          |
| Cost of sales                                                                              | 21    | (36,542)        | (41,209)        |
| <b>Gross profit</b>                                                                        |       | <b>123</b>      | <b>3,590</b>    |
| Other operating income                                                                     | 22    | 3,641           | 1,568           |
| (Expected)/reversal of credit losses                                                       | 23    | (1,525)         | 284             |
| Administrative expenses                                                                    | 24    | (15,373)        | (8,918)         |
| Impairment expense                                                                         | 25    | (936)           | -               |
| Other gains                                                                                | 26    | 221             | 752             |
| <b>Loss from operating activities</b>                                                      |       | <b>(13,849)</b> | <b>(2,724)</b>  |
| Finance income                                                                             | 27    | 321             | 393             |
| Finance costs                                                                              | 28    | (1,538)         | (1,677)         |
| <b>Loss before tax</b>                                                                     |       | <b>(15,066)</b> | <b>(4,008)</b>  |
| Income tax credit / (expense)                                                              | 29    | 418             | (390)           |
| <b>Loss for the year</b>                                                                   |       | <b>(14,648)</b> | <b>(4,398)</b>  |
| <b>Loss for the year attributable to:</b>                                                  |       |                 |                 |
| Owners of Parent                                                                           |       | (14,319)        | (4,315)         |
| Non-controlling interest                                                                   |       | (329)           | (83)            |
|                                                                                            |       | <b>(14,648)</b> | <b>(4,398)</b>  |
| <b>Other comprehensive income net of tax</b>                                               |       |                 |                 |
| <b>Components of other comprehensive income that may be reclassified to profit or loss</b> |       |                 |                 |
| Profit/(losses) on exchange differences on translation                                     |       | 1,725           | (10,476)        |
| <b>Total Exchange differences on translation</b>                                           |       | <b>1,725</b>    | <b>(10,476)</b> |
| <b>Comprehensive income attributable to:</b>                                               |       |                 |                 |
| Comprehensive income, attributable to owners of parent                                     |       | (12,594)        | (14,791)        |
| Comprehensive income, attributable to non-controlling interests                            |       | (329)           | (83)            |
| <b>Total comprehensive income for the year</b>                                             |       | <b>(12,923)</b> | <b>(14,874)</b> |
| <b>Earnings per share attributable to owners of the parent during the year</b>             |       |                 |                 |
| <b>Basic earnings per share</b>                                                            |       |                 |                 |
| Basic loss per share                                                                       | 31    | (3.54)          | (1.46)          |
| <b>Total basic loss per share (cents)</b>                                                  |       | <b>(3.54)</b>   | <b>(1.46)</b>   |
| <b>Diluted earnings per share</b>                                                          |       |                 |                 |
| Diluted loss per share                                                                     | 31    | (3.54)          | (1.46)          |
| <b>Total diluted loss per share (cents)</b>                                                |       | <b>(3.54)</b>   | <b>(1.46)</b>   |

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

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Consolidated Statement of Changes in Equity

| Figures in US\$ '000                             | Issued capital   | Capital profit reserve | Foreign currency translation reserve | Share based payment reserve | Accumulated loss | Attributable to owners of the parent | Non-controlling interests | Total         |
|--------------------------------------------------|------------------|------------------------|--------------------------------------|-----------------------------|------------------|--------------------------------------|---------------------------|---------------|
| <b>Balance at 1 July 2022</b>                    | 1,045,395        | 91                     | (42,544)                             | 1,263                       | (926,245)        | 77,960                               | (824)                     | 77,136        |
| <b>Changes in equity</b>                         |                  |                        |                                      |                             |                  |                                      |                           |               |
| Loss for the year                                | -                | -                      | -                                    | -                           | (4,315)          | (4,315)                              | (83)                      | (4,398)       |
| Other comprehensive income                       | -                | -                      | (10,476)                             | -                           | -                | (10,476)                             | -                         | (10,476)      |
| Total comprehensive income for the year          | -                | -                      | (10,476)                             | -                           | (4,315)          | (14,791)                             | (83)                      | (14,874)      |
| Issue of equity                                  | 26,173           | -                      | -                                    | -                           | -                | 26,173                               | -                         | 26,173        |
| Dividends paid to minority interest in the Group | -                | -                      | -                                    | -                           | (116)            | (116)                                | -                         | (116)         |
| Share issue costs                                | (1,697)          | -                      | -                                    | -                           | -                | (1,697)                              | -                         | (1,697)       |
| Performance grants issued                        | -                | -                      | -                                    | 1,928                       | -                | 1,928                                | -                         | 1,928         |
| Performance rights vested                        | -                | -                      | -                                    | (217)                       | -                | (217)                                | -                         | (217)         |
| Performance rights expired <sup>1</sup>          | -                | -                      | -                                    | (982)                       | -                | (982)                                | -                         | (982)         |
| <b>Balance at 30 June 2023</b>                   | <b>1,069,871</b> | <b>91</b>              | <b>(53,020)</b>                      | <b>1,992</b>                | <b>(930,676)</b> | <b>88,258</b>                        | <b>(907)</b>              | <b>87,351</b> |
| <b>Balance at 1 July 2023</b>                    | 1,069,871        | 91                     | (53,020)                             | 1,992                       | (930,676)        | 88,258                               | (907)                     | 87,351        |
| <b>Changes in equity</b>                         |                  |                        |                                      |                             |                  |                                      |                           |               |
| 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 <sup>1</sup>          | -                | -                      | -                                    | (111)                       | -                | (111)                                | -                         | (111)         |
| <b>Balance at 30 June 2024</b>                   | <b>1,071,127</b> | <b>91</b>              | <b>(51,295)</b>                      | <b>1,715</b>                | <b>(944,995)</b> | <b>76,643</b>                        | <b>(1,236)</b>            | <b>75,407</b> |
| Notes                                            | 14               | 15                     | 15                                   | 15                          |                  |                                      |                           |               |

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

<sup>1</sup> This amount includes the performance incentive which expired in the same financial year in which it was issued, and has been derecognised through profit or loss.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Consolidated Statement of Cash Flows

| Figures in US\$ '000                                                                                 | Notes | Group<br>2024  | Group<br>2023  |
|------------------------------------------------------------------------------------------------------|-------|----------------|----------------|
| <b>Cash flows from operating activities</b>                                                          |       |                |                |
| Receipts from customers                                                                              |       | 33,536         | 48,164         |
| Payments to suppliers and employees                                                                  |       | (36,491)       | (51,494)       |
| <b>Net cash flows used in operations</b>                                                             | 37    | <b>(2,955)</b> | <b>(3,330)</b> |
| Interest paid                                                                                        |       | (523)          | (440)          |
| Interest received                                                                                    |       | 292            | 389            |
| Income taxes paid                                                                                    | 38    | -              | (452)          |
| <b>Net cash used in operating activities</b>                                                         |       | <b>(3,186)</b> | <b>(3,833)</b> |
| <b>Cash flows used in investing activities</b>                                                       |       |                |                |
| Purchase of property, plant and equipment                                                            | 5     | (840)          | (1,513)        |
| Restricted cash movements                                                                            |       | -              | 77             |
| Investment in development assets                                                                     | 6     | -              | (252)          |
| Investment in exploration assets                                                                     | 7     | (3,498)        | (6,164)        |
| Proceeds from the disposal of other financial assets                                                 | 12    | 36             | 5              |
| Purchase of other financial assets                                                                   | 12    | (880)          | (863)          |
| <b>Cash flows used in investing activities</b>                                                       |       | <b>(5,182)</b> | <b>(8,710)</b> |
| <b>Cash flows (used in) / from financing activities</b>                                              |       |                |                |
| Proceeds from issuing shares                                                                         |       | -              | 22,795         |
| Share issue costs                                                                                    |       | -              | (1,697)        |
| Dividends paid to minority interest in the Group                                                     |       | -              | (116)          |
| Proceeds received from borrowings                                                                    | 19    | 214            | 328            |
| Repayments of borrowings                                                                             | 19    | (106)          | (1,678)        |
| Repayments of leases                                                                                 |       | (355)          | (403)          |
| <b>Cash flows (used in) / from financing activities</b>                                              |       | <b>(247)</b>   | <b>19,229</b>  |
| <b>Net (decrease) / increase in cash and cash equivalents before effect of exchange rate changes</b> |       | <b>(8,615)</b> | <b>6,686</b>   |
| Effect of exchange rate changes on cash and cash equivalents                                         |       | 59             | (651)          |
| <b>Net (decrease) / increase in cash and cash equivalents</b>                                        |       | <b>(8,556)</b> | <b>6,035</b>   |
| Cash and cash equivalents at beginning of the year                                                   |       | 7,499          | 1,464          |
| <b>Cash and cash equivalents at end of the year</b>                                                  | 13    | <b>(1,057)</b> | <b>7,499</b>   |

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

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 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 plc (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 Suite 8, 7 The Esplanade, Mt Pleasant, Perth, Western Australia 6000.

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 2024 of \$14.6 million (30 June 2023: loss of \$4.4 million). During the 12 months ended 30 June 2024, net cash outflows from operating activities were \$2.9 million (30 June 2023 net outflow: \$3.5 million). As at 30 June 2024 the Group had a net current liability position of \$26.9 million (30 June 2023: net current liability position of \$9.4 million). These events and conditions create a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The consolidated annual financial statements have been prepared on the going concern basis of accounting. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The company has applied to the Industrial Development Corporation (IDC) to extend the settlement date of the loan amounting to \$8.8 million (ZAR160.0 million), which is currently due on 30 September 2024. The total capital and interest due to the IDC is \$17.3 million (ZAR 313.9 million). Furthermore, the Group has reached an agreement with Hong Kong Stock Exchange (HKSE) main board listed group, Kinetic Development Group Limited (KDG) (1277.HK) the terms of which provide that KDG (or its designee) will subscribe, in two tranches, for a total of 51% of the post transaction issued share capital of MC Mining Limited.

Under the terms of the agreement, KDG will subscribe for an initial 13.04% of MC Mining for an aggregate consideration of US\$12,970,588 and a second subscription for the remaining 37.96% for US\$77,029,412. The initial subscription has been completed. The second subscription is subject to, inter alia the obtaining shareholder approval at an Extraordinary General Meeting as well as receiving all regulatory approvals.

The Directors have prepared a cash flow forecast which considers expected funding to be received after year end. Additional debt funding is available, and management expect positive cash flows to be generated by Uitkomst Colliery. Based on these equity and 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.

The cash flow forecast referred to above includes various assumptions, including progressing several alternatives to raise additional funding including the following:

- The issue of new equity to Kinetic Development Group Limited for cash in the Company; and
- Cash generated from the Company's collieries;

The conclusion of the debt and equity fundraising initiatives are included in the cash flow forecast and for purposes of obtaining the additional funding as outlined above. 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 and shareholders.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 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 is already in discussions with the IDC on the deferral of the settlement of the existing loan and the possibility of securing a new facility; and
- The Group has a history of successful capital raisings to meet the Group's funding requirements; and
- The Group has reached an agreement with Hong Kong Stock Exchange (HKSE) main board listed Kinetic Development Group Limited (KDG) (1277.HK), the terms of which provide that KDG (or its designee) will subscribe, in two tranches, for a total of 51% of the post transaction issued share capital of MC Mining Limited.
- Positive cash flows to be generated from the Uitkomst Colliery.

Subject to raising the required funding noted above, the development of the Makhado Project is expected to continue, and the Makhado Colliery is expected to be operational within the eighteen months following the signing of these annual financial statements.

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.

#### Basis of presentation

#### 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 30 September 2024.

#### 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.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

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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.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

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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:

- Researching and analysing historical exploration data
- Gathering exploration data through geophysical studies
- Exploratory drilling and sampling
- Determining and examining the volume and grade of the resource
- Surveying transportation and infrastructure requirements
- 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.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

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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 expenditure incurred by the Group is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises costs directly attributable to the construction of a mine and the related infrastructure. No depreciation is recognised in respect of development assets.

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

A development asset is transferred as a 'mining property' at the end of the commissioning phase, when the mine is capable of operating in the manner intended by management. Immediately prior to such transfer, development assets are tested for impairment.

### 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.

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

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

### 2.6 Property, plant and equipment – Mining Rights

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

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

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 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.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

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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.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 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

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 2.12 Financial instruments (continued)

#### *Financial assets at amortised cost*

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

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

#### *Classification*

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

#### *Measurement*

Financial assets at amortised cost are recognised when the Group becomes a party to the contractual provisions of the asset. Trade receivables are initially recognised at the transaction price, unless they contain a significant financing component. These financial assets are subsequently measured at amortised cost. All other financial assets 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.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 2.12 Financial instruments (continued)

#### *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.

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

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 2.12 Financial instruments (continued)

#### *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.

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.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 2.12 Financial instruments (continued)

#### *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.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

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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.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

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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 the amount 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 over coal sold to a customer at a point in time, which is generally indicated as follows:

- 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

No discounts are provided for coal sales.

The Group exports coal FOB (Free On Board) or FOT (Free On Truck) depending on the contractual terms. Delivery of the saleable coal to the contractor shall take place as saleable coal is deposited at an area designated by the Group as stockpiles.

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.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

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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 two reportable segments: Exploration 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 judgment 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.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

### 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 (DCF) 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. Uitkomst and Vele Colliery).

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, Makhado Project). For Exploration and Evaluation projects that are at an advanced stage of evaluation and conditionally approved by the Board (e.g. Makhado Project), DCFs are also used and validated by in situ resource multiple based values.

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

|                                                            |                |       |
|------------------------------------------------------------|----------------|-------|
| 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 (Rand per tonne) | 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.
- (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.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

### 3. Critical accounting estimates and key judgements (continued)

#### Sensitivity analysis for DCF calculations

| Sensitivity              | Change | Effect on estimated recoverable amount<br>US\$ million |               |                 |       |
|--------------------------|--------|--------------------------------------------------------|---------------|-----------------|-------|
|                          |        | Uitkomst Colliery                                      | Vele Colliery | Makhado Project |       |
| Long-term HCC prices     | +10%   | N/A                                                    | N/A           | 123             | (i)   |
|                          | -5%    | N/A                                                    | N/A           | (61)            |       |
| Long-term thermal prices | +7.5%  | N/A                                                    | N/A           | 38              | (ii)  |
|                          | -7.5%  | N/A                                                    | N/A           | (38)            |       |
| Long-term exchange rate  | +6%    | N/A                                                    | N/A           | 96              | (iii) |
|                          | -3%    | N/A                                                    | N/A           | (48)            |       |
| 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.

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

|                                                             |                |       |
|-------------------------------------------------------------|----------------|-------|
| Hard coking coal (HCC) price (real US\$ per ton)            | \$215          | (i)   |
| Thermal coal price (real US\$ per ton)                      | \$108          | (ii)  |
| Rand/US\$ exchange rate                                     | 18.8           | (iii) |
| Real discount rates                                         | 8.23% - 12.80% | (iv)  |
| In situ resource multiple valuation range (SA Rand per ton) | ZAR1 to ZAR5   | (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 \$248 per tonne, with a base case of \$215 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 \$123 per tonne and \$126 per tonne, with a base case of \$126 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 R18.54 and R20.47 with a base case of R18.54.
- (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 12.62% and 12.80% for established and producing projects and 8.23% for future projects.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

### 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<br>US\$ million |               |                 |       |
|--------------------------|--------|--------------------------------------------------------|---------------|-----------------|-------|
|                          |        | Uitkomst Colliery                                      | Vele Colliery | Makhado Project |       |
| Long-term HCC prices     | +10%   | N/A                                                    | N/A           | 123             | (i)   |
|                          | -5%    | N/A                                                    | N/A           | (61)            |       |
| Long-term thermal prices | +7.5%  | N/A                                                    | N/A           | 38              | (ii)  |
|                          | -7.5%  | N/A                                                    | (18)          | (38)            |       |
| Long-term exchange rate  | +6%    | N/A                                                    | N/A           | 96              | (iii) |
|                          | -3%    | N/A                                                    | N/A           | (48)            |       |
| Discount rate            | +1%    | -                                                      | -             | (3)             | (iv)  |
|                          | -1%    | -                                                      | -             | 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 23%, an impairment will be recognised for the Makhado Project.
- (ii) Keeping all other inputs constant, this results in a \$11.0 million impairment in the Vele Colliery with no impairment charge to the Makhado Project. Should the long-term thermal coal price decrease by 55%, 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 18%, 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. An impairment will be recognised should the discount rate increase by 19% for Makhado, 7% for Uitkomst and 6% for Vele.

#### *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.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

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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.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

### 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 IASB that are relevant and effective for accounting periods beginning on or after 1 July 2023, as listed below:

| Standard                                 | Amendment | Title                                                                            |
|------------------------------------------|-----------|----------------------------------------------------------------------------------|
| AASB 2021-2<br>Amendments to<br>AASB 108 | Amendment | Definition of Accounting Estimates                                               |
| AASB 2021-2<br>Amendments to<br>AASB 101 | Amendment | Disclosure of Accounting Policies                                                |
| AASB 2021-5<br>Amendments to<br>AASs     | Amendment | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |

#### *AASB 2021-2 Amendments to AASB 108 – Definition of Accounting Estimates*

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The requirements for recognising the effect of change in accounting prospectively remain unchanged.

The impact of the amendment has been determined to not be material as these principles are already applied.

#### *AASB 2021-2 Amendments to AASB 101 - Disclosure of Accounting Policies*

The amendments provides guidance and examples to help apply materiality judgements to accounting policy disclosures. The amendments aim to provide accounting policy disclosures that are more useful by replacing the requirement to disclose ‘significant’ accounting policies with a requirement to disclose ‘material’ accounting policies and adding guidance on the concept of materiality in making decisions about accounting policy disclosures.

Management performed an assessment of the Group’s accounting policies and consistently applied the amendment that emphasise disclosing ‘material’ rather than ‘significant’ accounting policies. No additional disclosures were required.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

### 4. New accounting standards and interpretations (continued)

#### Standards and interpretations adopted in the current year (continued)

##### *AASB 2021-5 Amendments to AASs – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and opposite temporary differences – e.g. leases and provisions.

For lease liabilities and provisions, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date.

For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

The amendments also apply to taxable and deductible temporary differences associated with right-of-use assets and lease liabilities, and decommissioning obligations and corresponding amounts recognised as assets at the beginning of the earliest comparative period presented.

The Group accounts for deferred tax on leases and provisions applying the 'integrally linked' approach, resulting in a similar outcome to the amendments and as a result there was no impact on the Group.

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

Certain new standards, amendments and interpretations to existing standards have been published that apply to the Group's accounting period beginning on 1 July 2024 or later periods, but have not been early adopted by the Group. The standards, amendments and interpretations that are relevant to the Group is:

| Standard(s)<br>Amendment(s)<br>Interpretation(s)                                     | Nature of the change | Salient features of the changes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Effective date* |
|--------------------------------------------------------------------------------------|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| AASB 2022-6<br>Amendments to<br>AASs – Non-<br>current Liabilities<br>with Covenants | Amendment            | <p>A consequence of the first amendment is that a liability would be classified as current if its repayment conditions failed their test at reporting date, despite those conditions only becoming effective in the 12 months after the end of the reporting period.</p> <p>In response to this possible outcome, the AASB has issued AASB 2022-6 Amendments to AASs - Non-current Liabilities with Covenants in December 2022:</p> <ul style="list-style-type: none"><li>• Clarifying that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current.</li><li>• Adding presentation and disclosure requirements for non-current liabilities subject to compliance with future covenants within the next 12 months.</li><li>• Clarifying specific situations in which an entity does not have a right to defer settlement for at least 12 months after the reporting date.</li></ul> <p>The impact of the amendment has been determined to not be material as the Group doesn't have any covenants.</p> | 1-Jul-24        |

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Accounting Policies

### 4. New accounting standards and interpretations (continued)

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

| Standard(s)<br>Amendment(s)<br>Interpretation(s)                        | Nature of the change | Salient features of the changes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Effective date* |
|-------------------------------------------------------------------------|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| AASB 18<br>Presentation and<br>Disclosure in<br>Financial<br>Statements | New standard         | <p>AASB 18 Presentation and Disclosure in Financial Statements aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information.</p> <p>The standard will change how companies present their results on the face of the income statement and disclose information in the notes to the financial statements. Certain 'non-GAAP' measures –management performance measures (MPMs) –will now form part of the audited financial statements.</p> <p>There will be three new categories of income and expenses, two defined statement of profit or loss and other comprehensive income subtotals and one single note on management-defined performance measures.</p> <p>The impact of the new standard will be evaluated in detail during the 2025 financial year, including the determination of early application.</p> | 1-Jul-27        |

\*Effective date refers to annual period beginning on or after the said date.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

Figures in US\$ `000

### 5. Property, plant and equipment

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

\*\*Refer to note 5.1 for detail on the impairment.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

Figures in US\$ `000

| Reconciliation for the year ended 30 June 2023 - Group      | Land and buildings | Leasehold improvements | Mining property, plant and equipment | Motor vehicles | Mining rights | Other      | Total           |
|-------------------------------------------------------------|--------------------|------------------------|--------------------------------------|----------------|---------------|------------|-----------------|
| <b>Balance at 1 July 2022</b>                               |                    |                        |                                      |                |               |            |                 |
| At cost                                                     | 8,020              | 77                     | 7,386                                | 1,058          | 16,194        | 1,330      | <b>34,065</b>   |
| Accumulated depreciation                                    | (1,617)            | (77)                   | (2,665)                              | (788)          | (4,268)       | (1,175)    | <b>(10,590)</b> |
| <b>Carrying amount</b>                                      | <b>6,403</b>       | <b>-</b>               | <b>4,721</b>                         | <b>270</b>     | <b>11,926</b> | <b>155</b> | <b>23,475</b>   |
| <b>Movements for the year ended 30 June 2023</b>            |                    |                        |                                      |                |               |            |                 |
| Additions                                                   | 110                | 7                      | 696                                  | 458            | -             | 242        | <b>1,513</b>    |
| Transfer from development assets (note 6)                   | 651                | -                      | 16,325                               | -              | -             | -          | <b>16,976</b>   |
| Transfer from right-of-use assets (note 18)                 | -                  | -                      | 571                                  | -              | -             | -          | <b>571</b>      |
| - Cost                                                      | -                  | -                      | 1,016                                | -              | -             | -          | <b>1,016</b>    |
| - Accumulated depreciation                                  | -                  | -                      | (445)                                | -              | -             | -          | <b>(445)</b>    |
| Depreciation                                                | (236)              | -                      | (658)                                | (122)          | (283)         | (74)       | <b>(1,373)</b>  |
| Rehabilitation asset*                                       | -                  | -                      | (1,760)                              | -              | -             | -          | <b>(1,761)</b>  |
| Exchange differences relating to:                           | (908)              | -                      | (2,194)                              | (53)           | (1,592)       | (28)       | <b>(4,775)</b>  |
| - Cost                                                      | (1,130)            | (6)                    | (2,648)                              | (165)          | (2,156)       | (148)      | <b>(6,253)</b>  |
| - Accumulated depreciation                                  | 222                | 6                      | 454                                  | 112            | 564           | 120        | <b>1,478</b>    |
| Disposals                                                   | (3)                | -                      | -                                    | -              | -             | (3)        | <b>(6)</b>      |
| - Cost                                                      | (99)               | (66)                   | -                                    | (12)           | -             | (766)      | <b>(943)</b>    |
| - Accumulated depreciation                                  | 96                 | 66                     | -                                    | 12             | -             | 763        | <b>937</b>      |
| <b>Property, plant and equipment at the end of the year</b> | <b>6,017</b>       | <b>7</b>               | <b>17,701</b>                        | <b>553</b>     | <b>10,051</b> | <b>292</b> | <b>34,621</b>   |
| <b>Closing balance at 30 June 2023</b>                      |                    |                        |                                      |                |               |            |                 |
| At cost                                                     | 7,552              | 12                     | 21,025                               | 1,339          | 14,038        | 658        | <b>44,624</b>   |
| Accumulated depreciation                                    | (1,535)            | (5)                    | (3,324)                              | (786)          | (3,987)       | (366)      | <b>(10,003)</b> |
| <b>Carrying amount</b>                                      | <b>6,017</b>       | <b>7</b>               | <b>17,701</b>                        | <b>553</b>     | <b>10,051</b> | <b>292</b> | <b>34,621</b>   |

\*Refer to note 16 for more details on the movement on the rehabilitation asset.

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

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

| Figures in US\$ '000 | Group<br>2024 | Group<br>2023 |
|----------------------|---------------|---------------|
|----------------------|---------------|---------------|

### 5.1 Additional disclosures

The Vele Project was impaired by \$0.9 million in FY2024. The Vele operations were suspended on December 2023. The Vele operations are expected to resume in H2 FY2025. 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.

#### FY2024 impairment assessment

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         |
| <b>Total impairment expense recognised in profit or loss</b>           | <b>936</b> |

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

|                                                      | Long term<br>(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

|                                                     |   |          |
|-----------------------------------------------------|---|----------|
| Balance at the beginning of the year                | - | 17,739   |
| <b>Movements for the year</b>                       |   |          |
| Additions                                           | - | 252      |
| Transfers to property, plant and equipment (note 5) | - | (16,976) |
| Transfers to intangible assets (note 8)             | - | (594)    |
| Movement in Rehabilitation asset                    | - | 271      |
| Foreign exchange differences                        | - | (692)    |
| <b>Development assets at the end of the year</b>    | - | -        |

The Vele Colliery was recommissioned in December 2022 and as a result, the Vele 'Development Asset' was reclassified to Mining property, plant and equipment.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

Figures in US\$ '000

### 7. Exploration and evaluation assets

#### 7.1 Reconciliation of changes in exploration and evaluation assets

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

\*Refer to note 5.1 for detail on the impairment.

#### 7.1 Reconciliation of changes in exploration and evaluation assets

|                                                                 | Exploration<br>and evaluation<br>assets |
|-----------------------------------------------------------------|-----------------------------------------|
| <b>Reconciliation for the year ended 30 June 2023 - Group</b>   |                                         |
| <b>Balance at 1 July 2022</b>                                   |                                         |
| At cost                                                         | 82,689                                  |
| Accumulated impairment losses                                   | (14,850)                                |
| <b>Carrying amount</b>                                          | <b>67,839</b>                           |
| <b>Movements for the year ended 30 June 2023</b>                |                                         |
| Additions                                                       | 6,164                                   |
| Decrease through net exchange differences                       | (8,228)                                 |
| Movement in rehabilitation asset                                | (93)                                    |
| <b>Exploration and evaluation assets at the end of the year</b> | <b>65,682</b>                           |
| <b>Closing balance at 30 June 2023</b>                          |                                         |
| At cost                                                         | 78,556                                  |
| Accumulated impairment losses                                   | (12,874)                                |
| <b>Carrying amount</b>                                          | <b>65,682</b>                           |

An assessment was performed for the 2023 financial year and no impairment was recognised for the year ended 30 June 2023.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

| Figures in US\$ '000 | Group<br>2024 | Group<br>2023 |
|----------------------|---------------|---------------|
|----------------------|---------------|---------------|

### 8. Intangible assets

#### Reconciliation of changes in intangible assets

|                                                                 | Biodiversity<br>asset |
|-----------------------------------------------------------------|-----------------------|
| <b>Reconciliation for the year ended 30 June 2024 - Group</b>   |                       |
| <b>Balance at 1 July 2023</b>                                   |                       |
| At cost                                                         | 536                   |
| Accumulated amortisation and impairment losses                  | (33)                  |
| <b>Carrying amount</b>                                          | <b>503</b>            |
| <b>Movements for the year ended 30 June 2024</b>                |                       |
| Increase through net exchange differences                       | 18                    |
| Amortisation                                                    | (33)                  |
| <b>Intangible assets at the end of the year</b>                 | <b>488</b>            |
| <b>Closing balance at 30 June 2024</b>                          |                       |
| At cost                                                         | 556                   |
| Accumulated amortisation and impairment losses                  | (68)                  |
| <b>Carrying amount</b>                                          | <b>488</b>            |
| <b>Reconciliation for the year ended 30 June 2023 - Group</b>   |                       |
| <b>Balance at 1 July 2022</b>                                   |                       |
| At cost                                                         | -                     |
| Accumulated amortisation and impairment losses                  | -                     |
| <b>Carrying amount</b>                                          | <b>-</b>              |
| <b>Movements for the year ended 30 June 2023</b>                |                       |
| Transfer of biodiversity asset from development assets (Note 6) | 594                   |
| Decrease through net exchange differences                       | (57)                  |
| Amortisation                                                    | (34)                  |
| <b>Intangible assets at the end of the year</b>                 | <b>503</b>            |
| <b>Closing balance at 30 June 2023</b>                          |                       |
| At cost                                                         | 536                   |
| Accumulated amortisation and impairment losses                  | (33)                  |
| <b>Carrying amount</b>                                          | <b>503</b>            |

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

### 9. Inventories

#### Inventories comprise:

|                                  |            |              |
|----------------------------------|------------|--------------|
| Consumable stores                | 618        | 512          |
| Finished goods                   | 40         | 3,595        |
| Provision for obsolete inventory | (15)       | (19)         |
|                                  | <b>643</b> | <b>4,088</b> |

The cost of inventories recognised as an expense during the year was \$3.5 million (2023 expense: \$10 million).

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

| Figures in US\$ '000                         | Group<br>2024 | Group<br>2023 |
|----------------------------------------------|---------------|---------------|
| <b>10. Trade and other receivables</b>       |               |               |
| <b>Trade and other receivables comprise:</b> |               |               |
| Trade receivables                            | 2,139         | 3,888         |
| Expected credit loss allowances              | (1,979)       | (311)         |
| Trade receivables - net balance              | 160           | 3,577         |
| Prepaid expenses - Non-financial asset       | 193           | -             |
| Other receivables                            | 705           | 675           |
| Value added tax - Non-financial asset        | 271           | 206           |
|                                              | <b>1,329</b>  | <b>4,458</b>  |

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.

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 \$1.98 million (FY2023: \$0.3 million) was required at the end of the financial year. The increase in the ECL is as a result of a long outstanding debtor that was provided for at year end.

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

## 11. Deferred tax

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

|                                     |                |                |
|-------------------------------------|----------------|----------------|
| Deferred tax liability              | (3,349)        | (3,648)        |
| <b>Net deferred tax liabilities</b> | <b>(3,349)</b> | <b>(3,648)</b> |

#### The deferred tax balances at year-end are represented by:

|                                                    |                |                |
|----------------------------------------------------|----------------|----------------|
| Provision                                          | 597            | 536            |
| Lease liabilities                                  | (397)          | -              |
| <b>Balance at end of year</b>                      | <b>200</b>     | <b>536</b>     |
| Capital allowances on property plant and equipment | (4,144)        | (4,184)        |
| Right-of-use assets                                | 595            | -              |
| <b>Balance at end of year</b>                      | <b>(3,549)</b> | <b>(4,184)</b> |

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

| Figures in US\$ '000 | Group<br>2024 | Group<br>2023 |
|----------------------|---------------|---------------|
|----------------------|---------------|---------------|

### 11. Deferred tax (continued)

#### 11.2 Reconciliation of deferred tax movements

| Group                                  | Deferred tax   | Total          |
|----------------------------------------|----------------|----------------|
| <b>Opening balance at 1 July 2023</b>  | (3,648)        | (3,648)        |
| Provisions                             | 117            | 117            |
| Capital allowances                     | 147            | 147            |
| Lease liabilities                      | (79)           | (79)           |
| Right-of-use asset                     | 76             | 76             |
| Foreign Exchange                       | 38             | 38             |
| <b>Closing balance at 30 June 2024</b> | <b>(3,349)</b> | <b>(3,349)</b> |
| <b>Opening balance at 1 July 2022</b>  | (4,232)        | (4,232)        |
| Provisions                             | (261)          | (261)          |
| Capital allowances                     | (1,299)        | (1,299)        |
| Prepayments                            | 37             | 37             |
| Foreign Exchange                       | 1,952          | 1,952          |
| Right-of-use asset                     | 155            | 155            |
| <b>Closing balance at 30 June 2023</b> | <b>(3,648)</b> | <b>(3,648)</b> |

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 \$39 million (2023: \$21.8 million) in respect of losses amounting to \$11.2 million (2023: \$4.2 million) and unredeemed capital expenditure of \$24.9 million (2023: \$54.1 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* | 6,077        | 5,191        |
| Deposits**                             | 590          | 48           |
|                                        | <b>6,667</b> | <b>5,239</b> |

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.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

| Figures in US\$ '000 | Group<br>2024 | Group<br>2023 |
|----------------------|---------------|---------------|
|----------------------|---------------|---------------|

### 12. Other financial assets (continued)

#### 12.2 Movements in other financial assets

|                               |              |              |
|-------------------------------|--------------|--------------|
| At the beginning of the year  | 5,239        | 4,599        |
| Revaluations                  | 237          | 467          |
| Interest received             | 104          | 3            |
| Disposal of investment        | -            | (5)          |
| Acquisition of investments    | 863          | 863          |
| Foreign exchange differences  | 224          | (688)        |
| <b>At the end of the year</b> | <b>6,667</b> | <b>5,239</b> |

### 13. Cash and cash equivalents

#### Cash and cash equivalents consist of:

|                     |                |              |
|---------------------|----------------|--------------|
| Balances with banks | 234            | 7,499        |
| Bank overdrafts     | (1,291)        | -            |
|                     | <b>(1,057)</b> | <b>7,499</b> |
| Restricted cash     | 23             | 23           |
|                     | <b>23</b>      | <b>23</b>    |

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 (currently 11.75% per annum) plus 3.0%, 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.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

| Figures in US\$ '000 | Group<br>2024 | Group<br>2023 |
|----------------------|---------------|---------------|
|----------------------|---------------|---------------|

### 14. Issued capital

#### 14.1 Authorised and issued share capital

##### Issued

|                                                            |           |           |
|------------------------------------------------------------|-----------|-----------|
| 414,013,348 (2023: 399,665,202) fully paid ordinary shares | 1,071,127 | 1,069,871 |
|------------------------------------------------------------|-----------|-----------|

##### Share reconciliation

|                                              | Number of<br>shares | Number of<br>shares |
|----------------------------------------------|---------------------|---------------------|
| Shares outstanding - beginning of the period | 399,665,202         | 197,654,870         |
| Issued during the year                       | 14,348,146          | 202,010,332         |
| Shares outstanding - closing                 | <b>414,013,348</b>  | <b>399,665,202</b>  |

#### 14.2 Additional disclosures

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

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

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

##### Share options granted

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

### 15. Reserves

#### 15.1 Classification of reserves

|                                      |                 |                 |
|--------------------------------------|-----------------|-----------------|
| Capital profit reserves              | 91              | 91              |
| Share based payment reserve          | 1,715           | 1,992           |
| Foreign currency translation reverse | (51,295)        | (53,020)        |
| <b>Total reserves</b>                | <b>(49,489)</b> | <b>(50,937)</b> |

#### 15.2 Detailed analysis of reserves

|                                                        | Capital profit<br>reserve | Foreign<br>currency<br>translation<br>reserve | Share based<br>payment<br>reserve | Total           |
|--------------------------------------------------------|---------------------------|-----------------------------------------------|-----------------------------------|-----------------|
| <b>2024</b>                                            |                           |                                               |                                   |                 |
| 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           |
| <b>Total reserves for the year</b>                     | <b>91</b>                 | <b>(51,295)</b>                               | <b>1,715</b>                      | <b>(49,489)</b> |

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

| Figures in US\$ '000 | Group<br>2024 | Group<br>2023 |
|----------------------|---------------|---------------|
|----------------------|---------------|---------------|

### 15. Reserves (continued)

#### 15.2 Detailed analysis of reserves (continued)

|                                                        | Capital profit<br>reserve | Foreign<br>currency<br>translation<br>reserve | Share based<br>payment<br>reserve | Total           |
|--------------------------------------------------------|---------------------------|-----------------------------------------------|-----------------------------------|-----------------|
| <b>2023</b>                                            |                           |                                               |                                   |                 |
| Opening balance                                        | 91                        | (42,544)                                      | 1,263                             | (41,190)        |
| Performance grants issued                              | -                         | -                                             | 1,928                             | 1,928           |
| Performance rights exercised                           | -                         | -                                             | (217)                             | (217)           |
| Performance rights expired                             | -                         | -                                             | (982)                             | (982)           |
| Exchange differences on translating foreign operations | -                         | (10,476)                                      | -                                 | (10,476)        |
| <b>Total reserves for the year</b>                     | <b>91</b>                 | <b>(53,020)</b>                               | <b>1,992</b>                      | <b>(50,937)</b> |

#### 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:

|                                   |              |              |
|-----------------------------------|--------------|--------------|
| Provisions for employee benefits* | 461          | 395          |
| Other provisions                  | 8,700        | 6,035        |
|                                   | <b>9,161</b> | <b>6,430</b> |
| Other provisions                  | 8,700        | 6,035        |
| <b>Non-current portion</b>        | <b>8,700</b> | <b>6,035</b> |
| Provisions for employee benefits  | 461          | 395          |
| <b>Current portion</b>            | <b>461</b>   | <b>395</b>   |
|                                   | <b>9,161</b> | <b>6,430</b> |

\*Consists of leave pay provisions within the Group.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

Figures in US\$ '000

### 16. Provisions (continued)

#### 16.2 Other provisions

|                                                     | Biodiversity<br>offset<br>provision | Rehabilitation<br>provision | Water use<br>license<br>provision | Total        |
|-----------------------------------------------------|-------------------------------------|-----------------------------|-----------------------------------|--------------|
| <b>Balance at 1 July 2023</b>                       | <b>2,015</b>                        | <b>4,020</b>                | -                                 | <b>6,035</b> |
| 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          |
| <b>Balance at 30 June 2024</b>                      | <b>2,214</b>                        | <b>4,237</b>                | <b>2,249</b>                      | <b>8,700</b> |
| <b>Balance at 1 July 2022</b>                       | <b>2,191</b>                        | <b>5,857</b>                | -                                 | <b>8,048</b> |
| Unwinding of discount (Refer to note 28)            | 123                                 | 575                         | -                                 | 698          |
| Change in assumptions on rehabilitation provisions* | -                                   | (1,698)                     | -                                 | (1,698)      |
| Foreign Exchange                                    | (299)                               | (714)                       | -                                 | (1,013)      |
| <b>Balance at 30 June 2023</b>                      | <b>2,015</b>                        | <b>4,020</b>                | -                                 | <b>6,035</b> |

\*The change in assumptions regarding rehabilitation provisions was allocated as follows: \$0.3 million (2023 \$1.7 million) to property, plant, and equipment (Note 5), \$Nil (2023:\$0.3 million) to Development assets (Note 6), \$Nil (2023: \$0.1 million) to Exploration and evaluation assets (Note 7), with 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.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

| Figures in US\$ '000 | Group<br>2024 | Group<br>2023 |
|----------------------|---------------|---------------|
|----------------------|---------------|---------------|

### 16. Provisions (continued)

The current estimate available is inflated by the long-term South African inflation rate of 5.10% annually and the discount rates applied to establish the current obligations are the annual 10 year South Africa government bond rate at 30 June 2024 of 10.21% (2023: 10.54%) for the provision raised during the 2024 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 2024. 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:

|                                            |              |              |
|--------------------------------------------|--------------|--------------|
| Trade creditors                            | 3,258        | 3,433        |
| Accrued liabilities                        | 1,720        | 2,616        |
| Other payables                             | 608          | 1,832        |
| Value added tax - Non-financial instrument | 771          | -            |
| <b>Total trade and other payables</b>      | <b>6,357</b> | <b>7,881</b> |

The average credit period is 30 days.

### 18. Lease liabilities

#### 18.1 Lease liabilities comprise:

|                         |              |              |
|-------------------------|--------------|--------------|
| Lease obligation        | 2,272        | 2,505        |
| Non-current liabilities | 1,539        | 1,932        |
| Current liabilities     | 733          | 573          |
|                         | <b>2,272</b> | <b>2,505</b> |

#### The movement in the lease liabilities is as follows:

|                                  |              |              |
|----------------------------------|--------------|--------------|
| Balance at beginning of the year | 2,505        | 2,942        |
| Modification*                    | (89)         | 332          |
| Additions                        | 212          | 678          |
| Interest                         | 261          | 295          |
| Repayments                       | (641)        | (698)        |
| Terminations                     | (57)         | (281)        |
| Transfer to borrowings           | -            | (381)        |
| Foreign exchange differences     | 81           | (382)        |
| Balance at end of year           | <b>2,272</b> | <b>2,505</b> |

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

| Figures in US\$ '000                                                   | Group<br>2024       | Group<br>2023       |
|------------------------------------------------------------------------|---------------------|---------------------|
| <b>18. Lease liabilities (continued)</b>                               |                     |                     |
| The maturity of the Group's undiscounted lease payments is as follows: |                     |                     |
| Not later than one year                                                | 834                 | 644                 |
| Later than one year and not later than two years                       | 756                 | 657                 |
| Later than two years and not later than three years                    | 683                 | 679                 |
| Later than three years and not later than four years                   | 119                 | 713                 |
| Later than four years and not later than five years                    | 84                  | 93                  |
| Later than five years                                                  | 865                 | 1,051               |
|                                                                        | <u>3,341</u>        | <u>3,837</u>        |
| Less future finance charges                                            | (1,069)             | (1,332)             |
| Present value of minimum lease payments                                | <u><b>2,272</b></u> | <u><b>2,505</b></u> |

\*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           | 398                 | 462                 |
| Buildings      | 512                 | 639                 |
| Machinery      | 446                 | 299                 |
| Motor vehicles | 609                 | 922                 |
|                | <u><b>1,965</b></u> | <u><b>2,322</b></u> |

The movement in the right-of-use assets is as follows:

|                                                      |                     |                     |
|------------------------------------------------------|---------------------|---------------------|
| Balance at beginning of the year                     | 2,322               | 3,132               |
| Additions                                            | -                   | 678                 |
| Transfers to property, plant and equipment (Note 5)  | -                   | (571)               |
| Depreciation (Refer to note 18.3 per class of asset) | (503)               | (618)               |
| Modification                                         | (89)                | 272                 |
| Disposal                                             | (45)                | (238)               |
| Foreign exchange differences                         | 280                 | (333)               |
| Balance at end of the year                           | <u><b>1,965</b></u> | <u><b>2,322</b></u> |

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

#### Depreciation

|                    |            |            |
|--------------------|------------|------------|
| Land and buildings | 215        | 135        |
| Machinery          | 78         | 193        |
| Motor vehicles     | <u>210</u> | <u>290</u> |

#### Other expenses and gains

|                           |           |           |
|---------------------------|-----------|-----------|
| Interest expense          | 261       | 295       |
| Short term lease expenses | <u>71</u> | <u>71</u> |

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

| Figures in US\$ '000                                              | Group<br>2024 | Group<br>2023 |
|-------------------------------------------------------------------|---------------|---------------|
| <b>19. Borrowings</b>                                             |               |               |
| <b>19.1 Borrowings comprise:</b>                                  |               |               |
| Industrial Development Corporation of South Africa Limited        | 17,262        | 16,190        |
| Dendocept (Pty) Ltd                                               | 220           | -             |
| ABSA Instalment sale agreements                                   | 63            | 154           |
|                                                                   | <b>17,545</b> | <b>16,344</b> |
| Balance at beginning of the year                                  | 16,344        | 21,656        |
| Loans raised during the year                                      | 214           | 328           |
| Transfer to share capital                                         | -             | (3,378)       |
| Repayments                                                        | (106)         | (1,678)       |
| Reallocation of interest previously disclosed as part of accruals | -             | 1,228         |
| Interest accrued                                                  | 488           | 539           |
| Transferred from leases                                           | -             | 381           |
| Foreign exchange differences                                      | 605           | (2,732)       |
| Balance at end of year                                            | <b>17,545</b> | <b>16,344</b> |
| Non-current portion of borrowings                                 | 36            | 48            |
| Current portion of borrowings                                     | 17,509        | 16,296        |
|                                                                   | <b>17,545</b> | <b>16,344</b> |

## 19.2 Additional disclosures

### Industrial Development Corporation of South Africa Limited

The IDC has provided longstanding financial support for the development of the Makhado Project and in March 2017 granted MC Mining a facility of which ZAR160.0 million (\$8.8 million) was drawn to progress Makhado to its fully-permitted status and to partially fund the acquisition of the surface rights over the project area and to further develop the project. The Company is required to repay the loan amount plus an amount equal to the after tax internal rate of return equal to 16% (Pre-tax rate of 22,22%) of the amount of each advance. This resulted in IDC becoming a 6.7% shareholder in MC Mining subsidiary, Baobab, the owner of the Makhado Project. The repayment date for the ZAR160.0 million (\$8.8 million) (plus accrued interest) is 30 September 2024. If the outstanding loan is not repaid, the IDC can convert the outstanding balance to equity in Baobab or MC Mining and will include the addition of a 10% premium to the outstanding loan balance. The conversion into MC Mining equity will be based on a 10% discount to the 30-day weighted average price. The conversion of the IDC loan would result in the IDC being a significant shareholder in either Baobab or MC Mining.

The warrants for the second draw down of ZAR40 million (\$2.2 million) of the ZAR160 million (\$8.8 million) facility, equate to 0.833% of the entire share capital of MC Mining as at 1 October 2020, and it is not known if or precisely when these warrants will be issued. Furthermore, upon each advance, Baobab is required to issue new ordinary shares in Baobab to the IDC equivalent to 5% of the entire issued share capital of Baobab if the drawdown was ZAR120.0 million (\$6.6 million). Following the total drawdowns of ZAR160.0 million (\$8.8 million), the IDC is a 6.7% shareholder in Baobab.

### Dendocept (Pty) Ltd

The ZAR4 million (US\$0.2 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 on the final maturity date is payable in cash.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

| Figures in US\$ '000                                                             | Group<br>2024       | Group<br>2023 |
|----------------------------------------------------------------------------------|---------------------|---------------|
| <b>20. Revenue</b>                                                               |                     |               |
| Revenue consists of the sale of coal by the Uitkomst Colliery and Vele Colliery. |                     |               |
| <b>20.1 Revenue comprises:</b>                                                   |                     |               |
| Sale of coal                                                                     | 36,665              | 44,799        |
| <b>Total revenue</b>                                                             | <b>36,665</b>       | <b>44,799</b> |
| <b>20.2 Disaggregation of revenue from contracts with customers</b>              |                     |               |
|                                                                                  | <b>Sale of coal</b> | <b>Total</b>  |
| <b>Revenue per geographical region</b>                                           |                     |               |
| 2024 - South Africa                                                              | 36,665              | <b>36,665</b> |
| <b>Revenue per geographical region</b>                                           |                     |               |
| 2023 - South Africa                                                              | 44,799              | <b>44,799</b> |
| <b>21. Cost of sales</b>                                                         |                     |               |
| <b>Cost of sales comprise:</b>                                                   |                     |               |
| Employee costs                                                                   | 8,496               | 8,686         |
| Security                                                                         | 311                 | 283           |
| Inventory                                                                        | 3,521               | 10,094        |
| Mining expense                                                                   | 11,988              | 2,872         |
| Human Resources                                                                  | 1,355               | 1,406         |
| Training                                                                         | 32                  | 26            |
| Wash plant                                                                       | 499                 | 331           |
| Administration                                                                   | 1,945               | 1,486         |
| Environmental                                                                    | 212                 | 99            |
| Logistics                                                                        | 9                   | 6,939         |
| Commission                                                                       | -                   | 1,156         |
| Utilities                                                                        | 1,580               | 762           |
| Engineering                                                                      | 4,108               | 4,419         |
| Safety                                                                           | 335                 | 327           |
| Depreciation                                                                     | 1,945               | 1,919         |
| Royalties                                                                        | 206                 | 404           |
| <b>Total cost of sales</b>                                                       | <b>36,542</b>       | <b>41,209</b> |
| <b>22. Other operating income</b>                                                |                     |               |
| <b>Other operating income comprises:</b>                                         |                     |               |
| Rental income                                                                    | 25                  | 363           |
| Scrap sales                                                                      | 17                  | 14            |
| Sundry income                                                                    | 738                 | 1,191         |
| Recoveries of costs from mining contractor                                       | 2,861               | -             |
| <b>Total other operating income</b>                                              | <b>3,641</b>        | <b>1,568</b>  |
| <b>23. Expected/(reversal) of credit losses</b>                                  |                     |               |
| Expected/(reversal) credit losses on trade receivables                           | 1,525               | (284)         |

The \$1.5 million in the current year relates to an expected credit loss, and the reversal amounting to \$0.3 million relates to reversal of credit losses on trade receivables in the 2023 year. Refer to note 10 for further detail.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

| Figures in US\$ '000                                                                                                                                             | Group<br>2024 | Group<br>2023 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>24. Administrative expenses</b>                                                                                                                               |               |               |
| <b>Administrative expenses comprise:</b>                                                                                                                         |               |               |
| Employee expense                                                                                                                                                 | 6,591         | 4,260         |
| Professional fees                                                                                                                                                | 1,334         | 504           |
| Legal expenses                                                                                                                                                   | 112           | 110           |
| Other overheads                                                                                                                                                  | 6,996         | 3,926         |
| Depreciation                                                                                                                                                     | 340           | 118           |
| <b>Total administrative expenses</b>                                                                                                                             | <b>15,373</b> | <b>8,918</b>  |
| Included in administrative expenses is auditors' remuneration as follows:                                                                                        |               |               |
| Remuneration for audit and review of the financial report:                                                                                                       |               |               |
| Forvis Mazars - South Africa                                                                                                                                     | 182           | 97            |
| Forvis Mazars - Australia                                                                                                                                        | 48            | 49            |
|                                                                                                                                                                  | <b>230</b>    | <b>146</b>    |
| <b>25. Impairment expense</b>                                                                                                                                    |               |               |
| Impairment of assets                                                                                                                                             | 936           | -             |
| 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. |               |               |
| <b>26. Other gains</b>                                                                                                                                           |               |               |
| <b>Other gains comprise:</b>                                                                                                                                     |               |               |
| Foreign exchange (loss)/gain                                                                                                                                     |               |               |
| - Unrealised                                                                                                                                                     | 2             | (44)          |
| - Realised                                                                                                                                                       | (132)         | 377           |
| Revaluation of investments                                                                                                                                       | 208           | 368           |
| Other                                                                                                                                                            | 143           | 51            |
| <b>Total other gains and (losses)</b>                                                                                                                            | <b>221</b>    | <b>752</b>    |
| <b>27. Finance income</b>                                                                                                                                        |               |               |
| <b>Finance income comprises:</b>                                                                                                                                 |               |               |
| <i>Interest income from financial instruments:</i>                                                                                                               |               |               |
| Interest income                                                                                                                                                  | 321           | 393           |
| <b>28. Finance costs</b>                                                                                                                                         |               |               |
| <b>Finance costs included in profit or loss:</b>                                                                                                                 |               |               |
| Interest on borrowings                                                                                                                                           | 488           | 539           |
| Unwinding of discount from provisions                                                                                                                            | 552           | 698           |
| Interest on leases                                                                                                                                               | 261           | 295           |
| Interest paid on bank and third parties                                                                                                                          | 237           | 145           |
| <b>Total finance costs</b>                                                                                                                                       | <b>1,538</b>  | <b>1,677</b>  |

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

| Figures in US\$ '000                                 | Group<br>2024 | Group<br>2023 |
|------------------------------------------------------|---------------|---------------|
| <b>29. Income tax (credit) / expense</b>             |               |               |
| <b>29.1 Income tax recognised in profit or loss:</b> |               |               |
| <b>Current tax</b>                                   |               |               |
| Current year                                         | -             | 412           |
| <b>Deferred tax</b>                                  |               |               |
| Current year deferred tax                            | (418)         | (22)          |
| <b>Total income tax expense</b>                      | <b>(418)</b>  | <b>390</b>    |

The Group's effective tax rate for the year was 2.7% (2023: 9.7%). The tax rate used for the 2024 and 2023 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                      | (15,066)     | (4,008)    |
| Income tax calculated at 30.0%                       | (4,520)      | (1,202)    |
| Tax effect of                                        |              |            |
| - Expenses that are not deductible for tax purposes* | 115          | 2,984      |
| - Differences in tax rates                           | 14           | 365        |
| - Income not taxable                                 | (37)         | (424)      |
| - Other temporary differences not recognised         | 58           | (935)      |
| - Unrecognised deferred tax asset                    | 3,952        | -          |
| - Prior year adjustments                             |              | (398)      |
| <b>Tax charge</b>                                    | <b>(418)</b> | <b>390</b> |

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

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

Figures in US\$ '000

### 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 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.

##### *2020 Performance rights*

On 20 November 2020, 3,492,720 performance rights were issued to senior management. The number of rights are split between three tranches. The market based vesting conditions are to be measured over the one-year period from 20 November 2020 to 19 November 2021 for Tranche 1, the two-year period from 20 November 2020 to 19 November 2022 for Tranche 2 and the three-year period from 20 November 2020 to 19 November 2023 for Tranche 3. Tranche 1 performance rights did not vest and were cancelled.

Inputs into the model were as follows:

|                                | Tranche 1 | Tranche 2 | Tranche 3 |
|--------------------------------|-----------|-----------|-----------|
| Number of rights               | 1,164,240 | 1,164,240 | 1,164,240 |
| 19 November 2020 closing price | ZAR2.20   | ZAR2.20   | ZAR2.20   |
| Exercise price                 | Nil       | Nil       | Nil       |
| Vesting date                   | 19-Nov-21 | 19-Nov-22 | 19-Nov-23 |
| Performance period (years)     | 1         | 2         | 3         |
| Risk free interest rate        | 6.94%     | 6.94%     | 6.94%     |

1,164,240 (Tranche 1) of Performance Rights issued on 20 November 2020 expired on 19 November 2021.

1,164,240 (Tranche 2) of Performance Rights issued on 20 November 2020 vested on 19 November 2022 and the ordinary shares were issued on 14 November 2023.

1,164,240 (Tranche 3) of Performance Rights issued on 20 November 2020 expired on 19 November 2023.

##### *2022 Performance rights*

On 1 July 2022, 9,183,906 performance rights were issued to senior management. The number of rights are split between three equal tranches. The market based vesting conditions are to be measured over the one-year period from 1 July 2022 to 30 June 2023 for Tranche 1, the two-year period from 1 July 2022 to 30 June 2024 for Tranche 2 and the three-year period from 1 July 2022 to 30 June 2025 for Tranche 3. Due to the change of control on 30 April 2024, the remaining 6,122,604 performance rights vested with immediate effect at that date, resulting in accelerated vesting and the performance rights being converted to shares during the 2024 financial year.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

| Figures in US\$ '000 | Group<br>2024 | Group<br>2023 |
|----------------------|---------------|---------------|
|----------------------|---------------|---------------|

### 30. Share-based payments (continued)

#### 2022 Performance rights (continued)

Inputs into the model were as follows:

|                            | Tranche 1 | Tranche 2 | Tranche 3 |
|----------------------------|-----------|-----------|-----------|
| Number of rights           | 3,061,302 | 3,061,302 | 3,061,302 |
| 11 July 2022 closing price | ZAR1.10   | ZAR1.10   | ZAR1.10   |
| Exercise price             | Nil       | Nil       | Nil       |
| Vesting date               | 30-Jun-23 | 30-Jun-24 | 30-Jun-25 |
| Performance period (years) | 1         | 2         | 3         |
| Risk free interest rate    | 7.52%     | 7.52%     | 8.17%     |

3,061,302 (Tranche 1) of Performance Rights issued on 1 July 2022 vested on 30 June 2023 and the issue of the ordinary shares is subject to South African exchange control approval.

3,061,302 (Tranche 2) of Performance Rights issued on 1 July 2022 vested on 30 April 2024 and the issue of the ordinary shares is subject to South African exchange control approval.

3,061,302 (Tranche 3) of Performance Rights issued on 1 July 2022 vested on 30 April 2024 and the issue of the ordinary shares is subject to South African exchange control approval.

#### 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. Due to the change of control on 30 April 2024, the remaining 8,000,000 options vested with immediate effect at that date and are convertible to ordinary MC Mining shares at no cost and expire on 28 August 2024.

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 vested on 30 April 2024.

4,000,000 (Tranche 3) of Options issued on 24 October 2022 vested on 30 April 2024.

#### Movement in performance rights

|                                                         |              |                   |
|---------------------------------------------------------|--------------|-------------------|
| Performance rights outstanding at beginning of the year | 11,512,386   | 4,312,092         |
| Performance rights expired                              | (1,164,240)  | (7,000,000)       |
| Performance rights granted                              | -            | 16,183,906        |
| Performance rights shares issued                        | (10,348,146) | (1,983,612)       |
| <b>Outstanding at the end of the period</b>             | <b>-</b>     | <b>11,512,386</b> |

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

| Figures in US\$ '000                                                                                                                                                                                                                                                                                                              | Group<br>2024    | Group<br>2023     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| <b>30. Share-based payments (continued)</b>                                                                                                                                                                                                                                                                                       |                  |                   |
| <b>Movement in options</b>                                                                                                                                                                                                                                                                                                        |                  |                   |
| Options outstanding at beginning of the year                                                                                                                                                                                                                                                                                      | 12,000,000       | -                 |
| Options shares issued                                                                                                                                                                                                                                                                                                             | (4,000,000)      | -                 |
| Options granted                                                                                                                                                                                                                                                                                                                   | -                | 12,000,000        |
| <b>Outstanding at the end of the period</b>                                                                                                                                                                                                                                                                                       | <b>8,000,000</b> | <b>12,000,000</b> |
| <b>31. Earnings per share</b>                                                                                                                                                                                                                                                                                                     |                  |                   |
| <b>Basic earnings per share</b>                                                                                                                                                                                                                                                                                                   |                  |                   |
| <b>The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:</b>                                                                                                                                                                                            |                  |                   |
| <b>Basic loss per share (cents)</b>                                                                                                                                                                                                                                                                                               | 3.54             | 1.46              |
| Loss for the year attributable to owners of the company                                                                                                                                                                                                                                                                           | (14,319)         | (4,315)           |
| <b>Earnings used in the calculation of basic earnings per share</b>                                                                                                                                                                                                                                                               | <b>(14,319)</b>  | <b>(4,315)</b>    |
| <b>Weighted number of ordinary shares</b>                                                                                                                                                                                                                                                                                         | <b>'000</b>      | <b>'000</b>       |
| Weighted average number of ordinary shares used in the calculation of basic earnings per share                                                                                                                                                                                                                                    | 405,255          | 296,483           |
| <b>Diluted earnings per share</b>                                                                                                                                                                                                                                                                                                 |                  |                   |
| 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. |                  |                   |
| <b>Headline earnings per share (in line with JSE requirements)</b>                                                                                                                                                                                                                                                                |                  |                   |
| The calculation of headline loss per share at 30 June 2024 was based on the headline loss attributable to ordinary equity holders of the Company of \$13.4 million (2023: \$4.3 million) and a weighted average number of ordinary shares outstanding during the period ended 30 June 2024 of 405,255,162 (2023: 296,483,154).    |                  |                   |
| <b>The earnings and weighted average number of ordinary shares used in the calculation of headline earnings per share are as follows:</b>                                                                                                                                                                                         |                  |                   |
| Loss for the year attributable to owners of the company                                                                                                                                                                                                                                                                           | (14,319)         | (4,315)           |
| Impairment expense (refer note 25)                                                                                                                                                                                                                                                                                                | 936              | -                 |
| <b>Earnings used in the calculation of headline earnings per share</b>                                                                                                                                                                                                                                                            | <b>(13,383)</b>  | <b>(4,315)</b>    |
| <b>Total headline earnings per share (cents)</b>                                                                                                                                                                                                                                                                                  | <b>(3.31)</b>    | <b>(1.46)</b>     |

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

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    | Mining         | Total           |
|---------------------------------------------------------|----------------|----------------|-----------------|
| <b>Year ended 30 June 2024</b>                          |                |                |                 |
| Revenue                                                 | -              | 36,665         | <b>36,665</b>   |
| Cost of sales                                           | -              | (36,542)       | <b>(36,542)</b> |
| - Salaries                                              | -              | (8,494)        | <b>(8,494)</b>  |
| - Other costs                                           | -              | (28,048)       | <b>(28,048)</b> |
| <b>Gross profit</b>                                     | -              | <b>123</b>     | <b>123</b>      |
| Other income                                            | -              | 3,360          | <b>3,360</b>    |
| Expected credit losses                                  | -              | (1,340)        | <b>(1,340)</b>  |
| Other operating (losses)/gains                          | (2)            | 135            | <b>133</b>      |
| Net Impairment expense                                  | -              | (936)          | <b>(936)</b>    |
| Administrative expenses                                 | (2,462)        | (3,990)        | <b>(6,452)</b>  |
| - Salaries                                              | (929)          | (323)          | <b>(1,252)</b>  |
| - Other costs                                           | (1,533)        | (3,667)        | <b>(5,200)</b>  |
| <b>Operating loss</b>                                   | <b>(2,464)</b> | <b>(2,648)</b> | <b>(5,112)</b>  |
| Interest income                                         | 61             | 117            | <b>178</b>      |
| Finance costs                                           | (500)          | (906)          | <b>(1,406)</b>  |
| <b>Loss before tax</b>                                  | <b>(2,903)</b> | <b>(3,437)</b> | <b>(6,340)</b>  |
| Income tax charge                                       | -              | 418            | <b>418</b>      |
| <b>Segment net loss after tax</b>                       | <b>(2,903)</b> | <b>(3,019)</b> | <b>(5,922)</b>  |
| <b>Segment assets</b>                                   | 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           |
| <b>Segment liabilities</b>                              | (21,063)       | (16,686)       | (37,749)        |

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

| Figures in US\$ '000 | Group<br>2024 | Group<br>2023 |
|----------------------|---------------|---------------|
|----------------------|---------------|---------------|

### 32. Segment information (continued)

#### 32.2 Segments (continued)

|                                             | Exploration    | Mining       | Total           |
|---------------------------------------------|----------------|--------------|-----------------|
| <b>Year ended 30 June 2023</b>              |                |              |                 |
| Revenue                                     | -              | 44,799       | <b>44,799</b>   |
| Cost of sales                               | (127)          | (40,939)     | <b>(41,066)</b> |
| <b>Gross (loss)/profit</b>                  | <b>(127)</b>   | <b>3,860</b> | <b>3,733</b>    |
| Other income                                | -              | 690          | <b>690</b>      |
| Reversal of credit losses                   | -              | 284          | <b>284</b>      |
| Other operating gains                       | 3              | 60           | <b>63</b>       |
| Administrative expenses                     | (843)          | (1,715)      | <b>(2,558)</b>  |
| <b>Operating (loss)/profit</b>              | <b>(967)</b>   | <b>3,179</b> | <b>2,212</b>    |
| Interest income                             | 264            | 63           | <b>327</b>      |
| Finance costs                               | (528)          | (1,067)      | <b>(1,595)</b>  |
| <b>Loss before tax</b>                      | <b>(1,231)</b> | <b>2,175</b> | <b>944</b>      |
| Income tax charge                           | -              | (390)        | <b>(390)</b>    |
| <b>Segment net (loss)/ profit after tax</b> | <b>(1,231)</b> | <b>1,785</b> | <b>554</b>      |
| <b>Segment assets</b>                       | 38,110         | 42,321       | 80,431          |

Items included in the Group's measure of segment assets

| Year ended 30 June 2023          | Exploration | Mining   | Total    |
|----------------------------------|-------------|----------|----------|
| - Addition to non-current assets | 6,434       | 2,451    | 8,885    |
| <b>Segment liabilities</b>       | (21,063)    | (16,415) | (37,478) |

#### 32.3 Reconciliations

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

##### 32.3.1 Total loss for reportable segment

|                                    |                 |                |
|------------------------------------|-----------------|----------------|
| Segment profit or loss as reported | (5,922)         | 554            |
| Other operating income             | 280             | 879            |
| Other operating gains/(losses)     | 89              | 691            |
| Administrative expenses            | (8,922)         | (6,503)        |
| Interest income                    | 142             | 65             |
| Finance costs                      | (130)           | (84)           |
| Expected credit losses             | (185)           | -              |
| <b>Group loss after tax</b>        | <b>(14,648)</b> | <b>(4,398)</b> |

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

| Figures in US\$ '000 | Group<br>2024 | Group<br>2023 |
|----------------------|---------------|---------------|
|----------------------|---------------|---------------|

### 32. Segment information (continued)

#### 32.3.2 Total segment assets

|                                               |                |                |
|-----------------------------------------------|----------------|----------------|
| Segment total assets as reported              | 104,726        | 80,431         |
| Unallocated property, plant and equipment     | 5,085          | 5,029          |
| Unallocated other financial assets            | 4,303          | 3,918          |
| Unallocated current assets                    | 822            | 5,326          |
| Unallocated exploration and evaluation assets | 292            | 29,198         |
| Unallocated right-of-use assets               | 411            | 533            |
| <b>Group total assets</b>                     | <b>115,639</b> | <b>124,435</b> |

#### 32.3.3 Total liabilities

|                                       |                 |                 |
|---------------------------------------|-----------------|-----------------|
| Segment total liabilities as reported | (37,749)        | (35,472)        |
| Unallocated liabilities               | (2,483)         | (1,612)         |
| <b>Group total liabilities</b>        | <b>(40,232)</b> | <b>(37,084)</b> |

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

#### 32.3.4 Revenue by location of operations

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

|                                                |               |               |
|------------------------------------------------|---------------|---------------|
| South Africa                                   | 36,665        | 44,799        |
| <b>Group revenue by location of operations</b> | <b>36,665</b> | <b>44,799</b> |

#### 32.3.5 Non-current assets by location of operations

|                                 |                |               |
|---------------------------------|----------------|---------------|
| South Africa                    | 100,469        | 68,368        |
| <b>Total non-current assets</b> | <b>100,469</b> | <b>68,368</b> |

### 33. Related parties

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

|                              |              |              |
|------------------------------|--------------|--------------|
| Short-term employee benefits | 1,099        | 444          |
| Share-based payments         | 240          | 663          |
|                              | <b>1,339</b> | <b>1,107</b> |

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 (23.9%) in the Company.

During FY2024, the Uitkomst Colliery sold 54,117t (FY2023: 106,598t) of coal to Overlooked Colliery (Pty) Ltd (Overlooked) at market related prices prior to Overlooked being a related party. The sales generated revenue of R62 million (\$3.3 million) (FY2023: \$12.2 million). Mr Senosi is Overlooked's CEO and controlling shareholder.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

Figures in US\$ '000

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### 33. Related parties (continued)

Christine (Yi) He is a non-executive director of MC Mining and owns 36.9 million ordinary shares (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 (\$13,363) per month, with a 6% escalation each year on the 1st of July. The total lease liability at 30 June 2024 amounts to R9.5 million (\$0.5 million).

The company obtained a ZAR4 million (US\$0.2 million) loan facility from Dendocept (Pty) Ltd. The loan 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 on the final maturity date is payable in cash. Dendocept is owned by Ms He.

### 34. Events after the reporting date

- MC Mining entered into a A\$1.0m (US\$0.7m) unsecured loan facility with Eagle Canyon International Group Holding (Hong Kong) Limited;
- MC Mining Limited has reached an agreement with Hong Kong Stock Exchange (HKSE) main board listed Kinetic Development Group Limited (KDG) (1277.HK) the terms of which provide that KDG (or its designee) will subscribe, in two tranches, for a total of 51% of the post transaction issued share capital of MC Mining.

Under the terms of the agreement, KDG has subscribed for an initial 13.04% of MC Mining for an aggregate consideration of US\$12,970,588 and implied price per share of US\$0.2089 1 (at the prevailing exchange rates, AU\$0.30832 or ZAR3.72061 per share) on 4 September 2024. The second subscription for the remaining aggregate US\$77,029,412 will be effected within seven (7) business days of the fulfilment or waiver of the conditions precedent applicable to that subscription including obtaining shareholder approval at an Extraordinary General Meeting and receiving all relevant regulatory approvals; and

- On 16 August 2024, MC Mining Limited announced that it would, subject to conditions, extend the validity period of the 8,000,000 share options that had been granted to Mr Godfrey Gomwe, the previous Managing Director & Chief Executive Officer as part of his employment contract. The validity period was extended to 28 August 2024. None of the conditions have been fulfilled within the stipulated timeframe of the extended validity period and the options have now lapsed and can no longer be exercised.

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.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

| Figures in US\$ '000 | Group<br>2024 | Group<br>2023 |
|----------------------|---------------|---------------|
|----------------------|---------------|---------------|

### 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.

#### 35.1 Categories of financial instruments

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

| Financial assets                         | Note |               |               |
|------------------------------------------|------|---------------|---------------|
| Trade and other receivables <sup>1</sup> | 10   | 865           | 4,252         |
| Cash and cash equivalents <sup>1</sup>   | 13   | 234           | 7,499         |
| Restricted cash <sup>1</sup>             | 13   | 23            | 23            |
| Other financial assets <sup>1 2</sup>    | 12   | 6,667         | 5,239         |
| <b>Total financial assets</b>            |      | <b>7,789</b>  | <b>17,013</b> |
| <b>Financial liabilities</b>             |      |               |               |
| Borrowings <sup>1</sup>                  | 19   | 17,545        | 16,344        |
| Bank overdraft <sup>1</sup>              | 13   | 1,291         | -             |
| Trade and other payables <sup>1</sup>    | 17   | 5,586         | 7,881         |
| Leases <sup>1</sup>                      | 18   | 2,272         | 2,505         |
| <b>Total financial liabilities</b>       |      | <b>26,694</b> | <b>26,730</b> |

<sup>1</sup> Financial instrument classified at amortised cost.

<sup>2</sup> Financial instrument classified at fair value through profit or loss

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

Figures in US\$ '000

### 35. Financial instruments (continued)

#### 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 2024        | Level 1 | Level 2 | Level 3 | Total |
|---------------------------|---------|---------|---------|-------|
| Financial assets at FVTPL | -       | 6,077   | -       | 6,077 |
| As at 30 June 2023        | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at FVTPL | -       | 5,191   | -       | 5,191 |

#### 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.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

Figures in US\$ '000

### 35. Financial instruments (continued)

#### 35.3 Market risk (continued)

##### 35.3.1 Foreign exchange risk (continued)

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 2024                  | Held in<br>GBP \$'000         | Held in<br>AUD\$'000         | Held in<br>USD \$'000         | Total          |
|-------------------------------|-------------------------------|------------------------------|-------------------------------|----------------|
| <b>Financial assets</b>       |                               |                              |                               |                |
| - Cash and cash equivalents   | -                             | 10                           | -                             | 10             |
| - Trade and other receivables | 67                            | -                            | -                             | 67             |
| Total financial assets        | <u>67</u>                     | <u>10</u>                    | <u>-</u>                      | <u>77</u>      |
| <b>Financial liabilities</b>  |                               |                              |                               |                |
| - Trade and other payables    | (2,807)                       | (2,184)                      | -                             | (4,991)        |
| Total financial liabilities   | <u>(2,807)</u>                | <u>(2,184)</u>               | <u>-</u>                      | <u>(4,991)</u> |
| <b>30 June 2023</b>           | <b>Held in<br/>GBP \$'000</b> | <b>Held in<br/>AUD\$'000</b> | <b>Held in<br/>USD \$'000</b> | <b>Total</b>   |
| <b>Financial assets</b>       |                               |                              |                               |                |
| - Cash and cash equivalents   | -                             | 4,636                        | 1                             | 4,637          |
| - Trade and other receivables | -                             | 5                            | -                             | 5              |
| Total financial assets        | <u>-</u>                      | <u>4,641</u>                 | <u>1</u>                      | <u>4,642</u>   |
| <b>Financial liabilities</b>  |                               |                              |                               |                |
| - Trade and other payables    | (21)                          | (172)                        | -                             | (193)          |
| Total financial liabilities   | <u>(21)</u>                   | <u>(172)</u>                 | <u>-</u>                      | <u>(193)</u>   |

#### 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.

| Judgements on reasonable possible movements | Impact on post tax profit |       |
|---------------------------------------------|---------------------------|-------|
|                                             | 2024                      | 2023  |
| USD increase by 10%                         | (491)                     | 445   |
| USD decrease by 10%                         | 491                       | (445) |

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.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

| Figures in US\$ '000 | Group<br>2024 | Group<br>2023 |
|----------------------|---------------|---------------|
|----------------------|---------------|---------------|

### 35. Financial instruments (continued)

#### 35.3 Market risk (continued)

##### 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

| Judgements on reasonable possible movements    | Impact on post tax profit |       |
|------------------------------------------------|---------------------------|-------|
|                                                | 2024                      | 2023  |
| Increase of 2% (2023: 2%) in interest rate     | (75)                      | (53)  |
| Decrease of 2% (2023: 2%) in interest rate     | 75                        | 53    |
| Increase of 5.0% (2023: 5.0%) in interest rate | (187)                     | (133) |
| Decrease of 5.0% (2023: 5.0%) in interest rate | 187                       | 133   |

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.

#### 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:

|                             |              |               |
|-----------------------------|--------------|---------------|
| Other financial assets      | 6,667        | 5,239         |
| Restricted cash             | 23           | 23            |
| Trade and other receivables | 865          | 4,252         |
| Cash and cash equivalents   | 234          | 7,499         |
|                             | <b>7,789</b> | <b>17,013</b> |

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

| Figures in US\$ '000 | Group<br>2024 | Group<br>2023 |
|----------------------|---------------|---------------|
|----------------------|---------------|---------------|

### 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:

|                                     |              |            |
|-------------------------------------|--------------|------------|
| Balance at 1 July                   | 311          | 616        |
| Net remeasurement of loss allowance | 1,525        | (284)      |
| Foreign exchange differences        | 143          | (21)       |
| Balance at 30 June                  | <b>1,979</b> | <b>311</b> |

#### 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<br>months | Between 2 and<br>5 years | Over 5 years | Total         |
|------------------------------------|------------------------|--------------------------|--------------|---------------|
| <b>Year ended 30 June 2024</b>     |                        |                          |              |               |
| <b>Financial liabilities</b>       |                        |                          |              |               |
| Trade and other payables (Note 17) | 5,581                  | -                        | -            | <b>8,352</b>  |
| Lease liabilities (Note 18)        | 834                    | 1,642                    | 865          | <b>3,341</b>  |
| Bank overdraft (Note 13)           | 1,291                  | -                        | -            | <b>1,291</b>  |
| Borrowings (Note 19)               | 17,651                 | 50                       | -            | <b>17,701</b> |
|                                    | <b>25,357</b>          | <b>1,692</b>             | <b>865</b>   | <b>30,685</b> |

|                                    | Less than 12<br>months | Between 2 and<br>5 years | Over 5 years | Total         |
|------------------------------------|------------------------|--------------------------|--------------|---------------|
| <b>Year ended 30 June 2023</b>     |                        |                          |              |               |
| <b>Financial liabilities</b>       |                        |                          |              |               |
| Trade and other payables (Note 17) | 7,881                  | -                        | -            | <b>7,881</b>  |
| Lease liabilities (Note 18)        | 644                    | 2,142                    | 1,051        | <b>3,837</b>  |
| Borrowings (Note 19)               | 16,309                 | 48                       | -            | <b>16,357</b> |
|                                    | <b>24,834</b>          | <b>2,190</b>             | <b>1,051</b> | <b>28,075</b> |

### 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).

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

| Figures in US\$ '000 | Group<br>2024 | Group<br>2023 |
|----------------------|---------------|---------------|
|----------------------|---------------|---------------|

### 36. Capital management (continued)

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% (2023: 20%).

#### Balances of managed capital

|              |        |        |
|--------------|--------|--------|
| Net debt (1) | 17,311 | 8,846  |
| Equity (2)   | 75,407 | 87,351 |

|                      |     |     |
|----------------------|-----|-----|
| Debt to equity ratio | 23% | 10% |
|----------------------|-----|-----|

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.

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

|                                                                    |                 |                |
|--------------------------------------------------------------------|-----------------|----------------|
| <b>Loss before tax</b>                                             | <b>(15,066)</b> | <b>(4,008)</b> |
| <b>Adjustments for:</b>                                            |                 |                |
| Finance income                                                     | (321)           | (396)          |
| Finance costs                                                      | 1,539           | 1,678          |
| Depreciation and amortisation                                      | 1,663           | 2,026          |
| Impairment loss                                                    | 936             | -              |
| Share-based payments                                               | 686             | 948            |
| Movement in expected credit losses                                 | 1,525           | (304)          |
| Re-valuation of investments                                        | (208)           | (467)          |
| Rehabilitation adjustment                                          | (108)           | (114)          |
| Loss on disposal of property, plant and equipment                  | -               | 6              |
| Movement in provisions                                             | 66              | 172            |
| Foreign losses/(gains)                                             | 119             | (333)          |
| <b>Change in operating assets and liabilities:</b>                 |                 |                |
| Adjustments for decrease in inventories                            | 3,445           | 388            |
| Adjustments for decrease / (increase) in trade accounts receivable | 2,225           | (3,061)        |
| Adjustments for increase in trade payables                         | 544             | 135            |
| <b>Net cash flows from operations</b>                              | <b>(2,955)</b>  | <b>(3,330)</b> |

### 38. Income tax paid

#### Income tax paid

|                                              |       |              |
|----------------------------------------------|-------|--------------|
| Amounts payable at the beginning of the year | (276) | (362)        |
| Amounts payable at the end of the year       | 257   | 276          |
| Taxation expense (credit)                    | -     | (412)        |
| Foreign exchange movement                    | 19    | 46           |
|                                              | -     | <b>(452)</b> |

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

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 40, 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<br>incorporation | 30 June 2024<br>% | 30 June 2023<br>% |
|--------------------------------------------------------------------------------|-----------------------------|-------------------|-------------------|
| Tshikunda Mining Proprietary Limited                                           | South Africa                | 60                | 60                |
| 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                | 74                | 74                |
| 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.

# MC Mining Limited

Consolidated Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Financial Statements

Figures in US\$ '000

### 41. Parent entity financial information

| Summary financial information    | 2024           | 2023           |
|----------------------------------|----------------|----------------|
| Non-current assets               | 273,314        | 261,368        |
| Current assets                   | 176            | 4,811          |
| Total assets                     | <u>273,490</u> | <u>266,179</u> |
| Non-current liabilities          | -              | -              |
| Current liabilities              | 3,082          | 3,043          |
| Total liabilities                | <u>3,082</u>   | <u>3,043</u>   |
| Net assets                       | <u>270,407</u> | <u>263,136</u> |
| Shareholders' Equity             |                |                |
| Issued capital                   | 1,071,126      | 1,069,847      |
| Accumulated deficit and reserves | (797,925)      | (805,206)      |
|                                  | <u>273,201</u> | <u>264,641</u> |
| Loss for the year                | (2,794)        | (1,505)        |
| Total comprehensive loss         | <u>(2,794)</u> | <u>(1,505)</u> |

### 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)

# MC Mining Limited

## Tenements held by MC Mining and its Controlled Entities

| Project Name | Tenement Number                                                                                                                 | Location | Interest |
|--------------|---------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| Chapudi      | Albert 686 MS                                                                                                                   | Limpopo~ | 74%      |
|              | Bergwater 712 MS                                                                                                                |          | 74%      |
|              | Remaining Extent and Portion 2 of Bergwater 697 MS                                                                              |          | 74%      |
|              | Blackstone Edge 705 MS                                                                                                          |          | 74%      |
|              | Remaining Extent & Portion 1 of Bluebell 480 MS                                                                                 |          | 74%      |
|              | Remaining Extent & Portion 1 of Bushy Rise 702 MS                                                                               |          | 74%      |
|              | Castle Koppies 652 MS                                                                                                           |          | 74%      |
|              | Chapudi 752 MS                                                                                                                  |          | 74%      |
|              | Remaining Extent, Portions 1, 3 & 4 of Coniston 699 MS                                                                          |          | 74%      |
|              | Driehoek 631 MS                                                                                                                 |          | 74%      |
|              | Remaining Extent of Dorps-rivier 696 MS                                                                                         |          | 74%      |
|              | Enfield 512 MS (consolidation of Remaining Extent of Enfield 474 MS, Brosdoorn 682 MS & Remaining Extent of Grootvlei 684 MS)   |          | 74%      |
|              | Remaining Extent and Portion 1 of 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%      |
|              | Wilbeesthoek 661 MS                                                                                                             |          | 74%      |
|              | Woodlands 701 MS                                                                                                                |          | 74%      |

# MC Mining Limited

## Tenements held by MC Mining and its Controlled Entities

| Project Name                 | Tenement Number                                       | Location    | Interest  |
|------------------------------|-------------------------------------------------------|-------------|-----------|
| Kanowna<br>West &<br>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<br>Royalty        | ML63/409,410                                          | Norseman^   | Royalty   |
| Kookynie<br>Royalty          | ML40/061                                              | Leonora^    | Royalty   |
|                              | ML40/135,136                                          |             | Royalty   |
| Makhado<br>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<br>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%       |

# MC Mining Limited

## Tenements held by MC Mining and its Controlled Entities

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

# MC Mining Limited

## Tenements held by MC Mining and its Controlled Entities

| Project Name                          | Tenement Number                                                      | Location      | Interest |
|---------------------------------------|----------------------------------------------------------------------|---------------|----------|
| Uitkomst<br>Colliery and<br>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<br>Colliery and<br>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%

# MC Mining Limited

## Shareholder information

The shareholder information set out below was applicable as at 3 September 2024.

### Substantial holders

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

|   | Holder name                                | Ordinary shares |                          |
|---|--------------------------------------------|-----------------|--------------------------|
|   |                                            | Number held     | % of total shares issued |
| 1 | Goldway Capital Investment Limited         | 125,386,172     | 26.3%                    |
| 2 | Senosi Group Investment Holdings (Pty) Ltd | 95,357,455      | 20.0%                    |
| 3 | Kinetic Crest Limited                      | 62,102,002      | 13.0%                    |
| 4 | Shining Capital GP Ltd                     | 35,000,000      | 7.4%                     |
| 5 | Dendocept Proprietary Limited              | 28,265,593      | 5.9%                     |
| 6 | Jun Liu & Lu Zhang                         | 26,499,345      | 5.6%                     |
| 7 | Pacific Goal Investment Limited            | 24,927,757      | 5.2%                     |

### 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  | Goldway Capital Investment Limited         | 125,386,172 | 26.3% |
| 2  | Senosi Group Investment Holdings (pty) Ltd | 95,357,455  | 20.0% |
| 3  | Kinetic Crest Limited                      | 62,102,002  | 13.0% |
| 4  | Shining Capital GP Ltd                     | 35,000,000  | 7.4%  |
| 5  | Dendocept Proprietary Limited              | 28,265,593  | 5.9%  |
| 6  | Jun Liu & Lu Zhang                         | 26,499,345  | 5.6%  |
| 7  | Pacific Goal Investment Limited            | 24,927,757  | 5.2%  |
| 8  | Ying He Yuan Investment (S) Pte Ltd        | 21,413,462  | 4.5%  |
| 9  | Longelephant International Trade Limited   | 15,162,581  | 3.2%  |
| 10 | Yi He                                      | 8,664,674   | 1.8%  |
| 11 | Jun Liu                                    | 6,735,240   | 1.4%  |
| 12 | Justin Collen                              | 2,900,000   | 0.6%  |
| 13 | Florence Duval                             | 1,226,604   | 0.3%  |
| 14 | Stephen Rowse                              | 1,196,203   | 0.3%  |
| 15 | Stephen Taylor                             | 902,717     | 0.2%  |
| 16 | Jacobus Ignatius De Wet                    | 700,000     | 0.1%  |
| 17 | Willem Kruger                              | 639,233     | 0.1%  |
| 18 | Baldwin Khosa                              | 559,140     | 0.1%  |
| 19 | FlatexDeGiro Bank AG                       | 558,027     | 0.1%  |
| 20 | Lufuno Tshovhote                           | 507,808     | 0.1%  |

### Ordinary shares

Refer to note 14 to the financial statements.

# MC Mining Limited

## Shareholder information

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### Options and performance rights

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

### Distribution of equitable securities

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

|                   | Number of<br>security<br>holders | % of shares |
|-------------------|----------------------------------|-------------|
| 1 to 1,000        | 755                              | 0.02%       |
| 1,001 to 5,000    | 103                              | 0.05%       |
| 5,001 to 10,000   | 35                               | 0.05%       |
| 10,001 to 100,000 | 69                               | 0.45%       |
| 100,001 and over  | 28                               | 99.42%      |

The number of shareholders holding less than a marketable parcel of ordinary shares is 830.

# MC Mining Limited

## Corporate information

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### Principal and registered office

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

### South African office

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

### Investor relations

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

### Corporate Affairs

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

### Company Secretary

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

### Share registries

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

The Pavilions, Bridgwater Road  
Bristol BS99 6ZZ  
United Kingdom

Rosebank Towers, 15 Bierman Avenue  
Rosebank, 2196  
South Africa

### Public relations

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

### Lawyers

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

### Bankers

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

ABSA Bank  
North Campus 15 Alice Lane Sandton,  
South Africa

### Auditors

Mazars  
Level 11  
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