

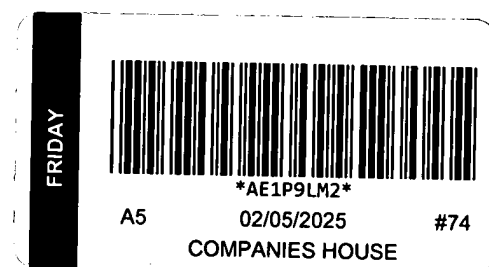
Company Registration No. 13025608 (England and Wales)



EAST STAR RESOURCES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024



Directors	Mr Alexander (“Sandy”) Barblett – Non-Executive Chairman Mr Alexander Walker – Chief Executive Officer and Executive Director Mr Christopher van Wijk – Technical Director (appointed 22 January 2024) Mr Anthony Eastman – Non-Executive Director
Company Secretary	Orana Corporate LLP
Company number	13025608
Registered office & place of operations	Eccleston Yards 25 Eccleston Place London SW1W 9NF
Independent Auditors	Kreston Reeves LLP 2 nd Floor 168 Shoreditch High St London E1 6RA
Broker	Peterhouse Capital Limited 80 Cheapside London EC2V 6DZ
Registrars	Share Registrars Limited 27/28 Endcastle Street London W1W 8DH
Financial Public Relations	Vigo Consulting Sackville House, 40 Piccadilly, London W1J 0HR
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Introduction

I am pleased to present the annual report for East Star Resources PLC (the "Company", the "Group") or ("East Star") for the year ended 31 December 2024.

Most notably during 2024, East Star published a maiden JORC Mineral Resource Estimate ("MRE") for our Verkhuba Copper Deposit and gained the support of BHP Xplor to kick off a porphyry copper targeting strategy that has already led to the generation of a porphyry copper target and a potentially very significant epithermal gold target within a newly granted exploration licence.

Review of Operations

VMS Copper

Verkhuba Copper Deposit

With the benefit of extensive historical drilling data and our own exploration work, in April 2024 we announced a maiden JORC MRE comprising 20.3Mt @ 1.16% copper, 1.54% zinc and 0.27% lead using a whole deposit cutoff grade of 0.86% copper equivalent. The publication of the MRE represented a significant milestone – the first critical mineral asset derived from an East Star exploration programme. From that point East Star became not only an explorer but an exploration and resource development company within the Rudny Altai VMS region.

At over 20Mt, Verkhuba is already in the top third of this style of VMS deposit globally. With copper in high demand and the prospect of a low capex development in an infrastructure-rich region, we believe Verkhuba to hold considerable value. For this reason, we are progressing the open pit development concept through to a stage where economic feasibility can be demonstrated. In practice, this means increasing confidence in, and potentially growing, the resource and understanding of the economics by conducting scoping and pre-feasibility studies. As such, in November 2024 we began the next diamond core drilling programme which ran through to mid-December when the crew paused for winter. This phase comprised three drill holes, all of which intersected mineralisation outside of the existing modelled ore bodies which make up the current MRE. This should potentially lead to an increased MRE.

Other VMS Targets

In October 2024, the Company commenced an Induced Polarisation ("IP") geophysical survey on its VMS licences in the Rudny Altai VMS region located in close proximity to Verkhuba. Surveys were completed on the Talovskoye and Nikolovskoye East targets. In total, 5.5-line km of IP was completed.

The results from the IP survey were processed by Mitre Geophysics in Australia. The data was processed, and sections were generated to visualise the IP response. Mitre noted a strong chargeable anomaly in the southernmost line of the Talovskoye survey. As a result, East Star has planned 50m of infill lines at Talovskoye when the snow recedes which is expected to be in May 2025. East Star previously announced high grade rock chip results at Talovskoye. Further IP lines have been planned to the north and east of the Rulikha target. Rulikha is a known deposit reported as 14.3Mt @ 1.2% Cu, 3.5% Zn, 0.28 g/t Au and 13.5 g/t Ag. The Company is in the process of collecting and digitizing the historical data for this deposit to inform the interpretation of the electro-magnetic (EM) and IP geophysical anomalies adjacent to the deposit.

Porphyry Copper and Epithermal Gold Exploration on the Balkash-Ili Magmatic Arc

In January 2024, we were delighted to announce that East Star had been selected to receive a grant of US\$0.5 million through the 2024 BHP Xplor programme to initiate a copper porphyry exploration strategy in Kazakhstan. This exploration strategy focuses on the paleozoic Balkash-Ili volcanic arc known to host multiple copper and gold rich porphyry and skarn deposits. We are proud that BHP chose to work with East Star. We have built a bigger team as a result of that programme, and we have bigger targets that could lead to

significant outcomes for our shareholders.

In February and March 2024, we were awarded our first porphyry copper exploration licences on the Balkash-Ili arc and were able to cover the costs of all licence fees and initial work through the BHP Xplor grant. Over the summer, our field team collected 2,800 soil samples and conducted spectral analysis, leading to the identification on the Snowy licence of two significant targets. Consequently, our focus has been refined to the Snowy licence - a 121km² tenement with a 6km long and 3km wide silica lithocap, located ~150km north of the large Kounrad open pit copper mine and smelter (~800Mt @ 0.62% Cu and up to 0.76g/t Au).

A copper-molybdenum anomaly in the western portion of the licence is prospective for a porphyry copper target, while another target is around 4km long by 1km wide and displays anomalous gold (up to 0.28g/t) and silver (up to 7.2g/t) as well as arsenic, molybdenum and weak mercury in soils. This is consistent with the nearby artisanal workings present at each end of the anomaly, the eastern one of which, produced 21Kt @ 31.2 g/t Au and 2067 g/t Ag from 1968 -1970. Both mines, which sit on topographical lows to the Snowy alteration and geochemical signature, lend additional support to the presence of mineralisation at the target. Confirmation of this epithermal gold target through geological mapping is planned at the start of the forthcoming field season with the expectation of conducting an IP survey over the pyrophyllite section, before the target is drill ready. The Company anticipates drilling this target in the 2025 field season. This is undeniably exciting given the typically very large size and often very high grades of epithermal gold deposits.

The region is well served by existing infrastructure. The Snowy licence is approximately 35 km east of the main Almaty-Karaganda highway which is a paved, all weather highway. The licence is directly accessed by a network of tracks used to navigate between the regional villages.

Further work has been done on new targets in this belt and the Company expects to be making licence applications over these areas in the coming quarter.

Sediment-Hosted Copper Exploration JV with Getech

In February 2024, the Company announced a joint venture agreement with Getech Group Plc (AIM: GTC) ("Getech"), a world-leading locator of subsurface resources, to explore for sediment-hosted copper deposits in Kazakhstan. The joint venture is being conducted through a wholly owned East Star subsidiary established specifically for this purpose. At no upfront cost to East Star, this play-type added a third geological strand to East Star's copper exploration strategy in addition to VMS and porphyry. Getech has been deploying its unique data set, geoscience expertise, AI-driven analytics, and extensive GIS capabilities, to carry out initial targeting in return for an option to obtain 5% of the JV company upon the granting of an exploration licence within the outlined area of interest. East Star is in discussions with potential partners to fund this exciting exploration strategy.

Corporate Activities

In October 2024, East Star raised gross proceeds of approximately £1.16 million from an oversubscribed subscription for, and placing of, 100,926,292 new ordinary shares at a price of 1.15 pence per share. The fundraising included strong backing from our existing major shareholder and Directors and saw the participation of a new resources-focused institutional cornerstone investor. This fundraising put the Company in a position to undertake the next phase of drilling at Verkhuba and continue with our exploration programmes this spring/summer as we prepare to drill test potentially company-making targets.

Board Changes

Chris van Wijk was appointed initially as a Non-Executive Director in January 2024 and subsequently in February 2024 as the Technical Director of the Company. Chris is an experienced geologist with a wealth of relevant experience, including base metal and gold exploration in Africa, Europe, the Americas, and Australia as well as joint venture management and project evaluation for major mining companies including BHP, IAMGOLD, First Quantum Minerals and Fortescue Metals Group. Chris has managed various successful exploration projects, including the Scoping Study at Mont Nimba in Guinea for BHP Billiton and the

resource drilling at First Quantum's Sentinel Project in Zambia.

In May 2024, David Minchin decided not to stand for re-election as a Non-Executive Director of the Company at the Annual General Meeting due to his other business commitments. Accordingly, he retired as a director with effect from the AGM and we thank him for his valuable contribution to the Company.

Key Financial Indicators

- Cash and cash equivalents at year-end were £678,000 (2023: £635,000)
- Loss before taxation for the year was £1,102,000 (2023: £1,528,000)
- The Group held net assets at year-end of £3,155,000 (2023: £2,813,000)
- The Group held total assets at year-end of £3,271,000 (2023: £2,928,000)

Movement of cash during the year reflects the capital raised in October 2024, offset by capital and operating expenditure, whilst the decrease in loss before taxation for the year was due to the significant decrease in impairment in the current year compared to 2023, offset slightly by the increase in other income reflective of the BHP Xplor grant received.

The increase in net assets and total assets in the current year primarily represents the increase in capitalised exploration expenditure incurred during the year.

Outlook

Ask any mining investor in 2025 what they want - they'll tell you copper and gold. Ask a seasoned mining executive where they see huge exploration opportunity – they'll almost certainly list Kazakhstan. Look no further than East Star which represents access to Tier 1 copper and gold discovery opportunities in Kazakhstan.

We've had boots on the ground for over three years, have a JORC copper deposit that looks suitable for a low capex open pit development, and several big prospects in play, targeting VMS, porphyry copper and epithermal gold systems. Kazakhstan is a world class exploration destination. The copper market is in a supply crunch, and Kazakhstan, with its vast mineral endowment, infrastructure, low labour and power costs, skilled workforce, and proximity to Europe and Asia is ideally suited for finding and developing new copper deposits.

I commend our CEO Alex Walker and his team for steadfastly developing this exploration vehicle – now a well-oiled machine. The exploration season is approaching. East Star will be drilling, targeting, and conducting geophysics across multiple licences. Now is the time to make discoveries.



.....
Sandy Barblett

Non-Executive Chairman

17 April 2025

Key personnel of the Group are comprised of the Directors:

Alexander Walker, Age 40 - Chief Executive Officer

Alex Walker is an investment banker and resources executive with more than 14 years' experience in natural resources investment with Norwegian Bank, Pareto Securities, London-based investment bank, Brandon Hill Capital and Australian broking firm Patersons Securities. Mr. Walker co-founded and was the General Manager of ScandiVanadium Ltd. He was also involved in the process of listing ScandiVanadium Ltd on the Australian Securities Exchange. Mr. Walker holds a MSc in Mineral and Energy Economics from Curtin University of Technology, Graduate Diploma of Applied Finance, BComm, BSocSci, and is a Graduate of the Australian Institute of Company Directors.

Alexander ("Sandy") Barblett, Age 58 - Non-Executive Chairman

Sandy Barblett has over 20 years' experience working with private and public listed international companies. He sits as a director and advises companies both private and listed on AIM and the ASX in relation to raising private equity and general fund raising, admission onto public markets, strategy and management selection. Additionally, he has previously held senior leadership roles within the technology sector, most notably with former FTSE 250 company Pace PLC.

Mr. Barblett has a Bachelor of Business from Curtin University of Technology in Perth, Australia and a Bachelor of Law from the University of Queensland; he previously worked for Minter Ellison as a solicitor.

Anthony Eastman, Age 50 – Non-Executive Director

Anthony Eastman is a member of the CAANZ and ICAEW and a Partner at Orana Corporate LLP. Mr. Eastman has a number of years' experience in financial management and corporate advisory services, primarily in the natural resources sector, along with extensive experience in the public company environment, having been a director and company secretary of a number of ASX and UK listed junior mining and oil & gas focused companies. He has previously worked with Ernst & Young and CalEnergy Gas Ltd, a subsidiary of the Berkshire Hathaway Group of Companies in both Australia and the United Kingdom.

Christopher van Wijk, Age 43 – Technical Director

Chris van Wijk is an experienced geologist, who specialises in project evaluation and project generation. Mr. van Wijk brings to his role in East Star a wealth of relevant experience including base metal and gold exploration in Africa, Europe, the Americas and Australia as well as joint venture management and project evaluation for major mining companies including BHP, IAMGOLD, First Quantum Minerals and Fortescue Metals Group. Mr. van Wijk has managed various successful exploration projects including the Scoping Study at Mount Nimba in Guinea for BHP Billiton and the resource drilling at First Quantum's Sentinel Project in Zambia. Mr. van Wijk has a Master of Science in Ore Deposit Geology from the University of Western Australia and is a member of the AUSIMM.

David Minchin, Age 42 – Non-Executive Director (resigned 26 June 2024)

David Minchin is a geologist with over 15 years' experience in production, exploration, and resource investment. Mr. Minchin has worked for Rio Tinto and the British Geological Survey, as well working as Senior Exploration Geologist for ICL-Boulby where he was closely involved in the discovery of the 3.2 billion tonne polyhalite deposit that was subsequently put into production and extended operating mine life by over 30 years. Mr. Minchin has worked as Director of Geology for AMED Funds, a London based private equity group that focuses on exploration projects in Africa. In this role, Mr. Minchin was part of the team responsible for investing and monitoring approximately USD 450 million in projects from exploration through to feasibility and across a range of commodities. Mr. Minchin was the founding CEO of Helium One Global Limited, an AIM quoted company developing a significant primary helium project in Tanzania and was formerly Managing Director of ASX-listed ScandiVanadium. Mr Minchin is currently Chairman of AIM listed helium exploration company, Helix Exploration PLC.

The Directors present their strategic report for the period ended 31 December 2024 for the Company and all its subsidiaries collectively referred to as “the Group”.

Principal risks and uncertainties

There are a number of risks associated with entities focused on natural resources exploration, particularly in Central Asia. The Board regularly reviews the risks to which the Company is exposed and endeavours to minimise them as far as possible. They consider the following risks are of particular relevance to the Company’s activities. It should be noted that the list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may apply.

Political and country risk

Kazakhstan has continued to grow in popularity as a tourism destination and foreign direct investment both in mining and other sectors. Tourism numbers are expected to exceed pre-pandemic levels and more than 75 countries have been given visa free travel.

Foreign Direct Investment continues to grow significantly with the top investment flows into the country from the Netherlands and the USA before China and Russia and then the UK and EU. Investment from the European Bank for Reconstruction and Development for example has grown from 600m Euro’s in 2020 to a projected 1.2Bn Euro’s in 2025. New foreign exploration companies entering Kazakhstan include:

2021: East Star, Fortescue Metals Group, Arras and IG Global

2023: First Quantum, Sarytogan Graphite

2024: Barrick, B2Gold, Ermet, C29, Laramide, BHP (via the Xplor programme)

2025: Ivanhoe Mines

The invasion by Russia into Ukraine is being watched carefully as Kazakhstan shares a border with Russia and has been very diligent in ensuring it does not become subject to sanctions due to sanction of goods and fund flows. Groups such as Solidcore (Polymetal) and Kaz Minerals have separated their Russian and Kazakhstan assets into separate entities and have committed significant new capital to down stream processing to remove Russian processing from operations.

Exploration and development risks

There is a high degree of risk as mineral exploration and development can be highly speculative. The economics of developing mineral properties are affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of the minerals being mined, fluctuations in exchange rates, costs of development, infrastructure and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection.

In addition, the grade of mineralisation ultimately mined may differ from that indicated by drilling results and such differences could be material. As a result of these uncertainties, there can be no guarantee that mineral exploration and development of any of the Company’s investments will result in profitable commercial operations.

Industry-specific risks

The natural resources sector is inherently tied to the performance of the global economy and, in particular, fluctuations in the price of global commodities. As a result, segments of the natural resources sectors (or even the sector as a whole) could be affected by changes in general economic activity levels and others changes which are beyond the Company’s control. The Company will be unable to control the prices for commodities, which may adversely affect the Company’s business, results of operations, financial condition or prospects.

Government regulation risk

The mineral exploration and development activities which are undertaken by the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters.

Exploration and development activities may also be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploration and production, price controls, export controls, currency availability, foreign exchange controls, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organisations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, limitations on mineral exports, high rates of inflation, increased financing costs, and site safety. This may affect both the Company's ability to undertake exploration and development activities in respect of its tenements, as well as its ability to explore and operate those tenements in which it currently holds an interest or in respect of which it obtains exploration and/or development rights in the future.

No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development or future potential production.

Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

We also note though that East Star is a founding member and its CEO, Alex Walker is a founding Director of the Kazakhstan Chamber of Mines, which was established, largely to assist industry in ensuring productive and open dialogue with the Government on laws effecting the sub soil. Notable members of the Chamber include, RIO Tinto, Fortescue Metals Group, KAZ Minerals, Eramet and a number of other local and international, public and private explorers and developers.

Permitting risk

The Company's operations may be subject to receiving and maintaining permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits for future operations. Management believes it has received the necessary permits for the current operations. Prior to any development on any tenements, the Company must receive permits from appropriate governmental authorities and private parties. There can be no assurance that the Company will obtain and/or continue to hold all permits necessary to develop or continue operating at any particular tenement.

Environmental and other regulatory requirement risk

The event of a breach with any environmental or regulatory requirements may give rise to reputational, financial or other sanctions, and therefore the Board considers these risks seriously and designs, maintains and reviews its policies and processes so as to mitigate or avoid these risks. The Company has an in-house environmental manager specifically for the purpose of maintaining and monitoring it's legal and moral obligations on these matters.

Financing risk

The development of the Company's tenements and its ability to earn into projects will require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of the Company's tenements from time to time, or even a loss of tenement interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

Foreign currency risk

Fluctuations in currency exchange rates, principally between the British pound, US Dollar and Kazakhstan Tenge, can impact the Company's earnings and cash flows. If the value of the Tenge or US Dollar increases relative to the British pound, the Company's results of operations, financial condition and liquidity could be materially adversely affected.

Market conditions

Market conditions, including general economic conditions and their effect on exchange rates, interest rates and inflation rates, may impact the ultimate value of the Company regardless of its operating performance. The Company also faces competition from other organisations, some of which may have greater resources or be more established in Kazakhstan. The Board considers and reviews all market conditions to try and mitigate any risks that may arise from these.

Key personnel risk

The Company has a small management team and the loss of a key individual or the inability to attract suitably qualified personnel in the future could materially and adversely affect the Company's business. The Company has proactively developed more depth of expertise to build redundancy. The Company now has a Technical Director and *has recently hired a very well qualified East Region exploration manager with a view to becoming Exploration Manager or Country Manager in due course.*

Section 172 Statement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have regard to the interests of the Group's employees and other stakeholders, the impact of its activities on the community, the environment and the Group's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Group for its members in the long term. We explain in this annual report, and reference below, how the Board engages with stakeholders.

We aim to work responsibly with our stakeholders, including suppliers. The key Board decisions made during the period and post period end are set out in the Chairman's statement.

Gender analysis

A split of our employees and directors by gender during the year is shown below:

	Male	Female
Directors	4	-
Employees	4	5

The Group is committed to gender equality as evidenced by its fair distribution of genders in its workforce.

Corporate social responsibility

We aim to conduct our business with honesty, integrity and openness, respecting human rights and the interests of our shareholders and employees. We aim to provide timely, regular and reliable information on the business to all our shareholders and conduct our operations to the highest standards.

Greenhouse Gas (GHG) Emissions

The Group is aware that it needs to measure its operational carbon footprint in order to limit and control its environmental impact. Before work can commence on an awarded exploration licence, the total amount of emissions and the total amount of work (drilling meters, sampling etc) is approved by the Government of Kazakhstan. As part of its operations, each licence is required to report quarterly to on the environmental impact, including emissions of the operations during that quarter. The Company manages these reports to

ensure approved emissions are not exceeded.

The Group, however has not made separate disclosures relating to energy consumption & efficiency as the entity consumed less than 40,000 kWh of energy during the period.

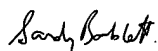
Health and Safety

We strive to create a safe and healthy working environment for the wellbeing of our staff and create a trusting and respectful environment, where all members of staff are encouraged to feel responsible for the reputation and performance of the Group. We aim to establish a diverse and dynamic workforce with team players who have the experience and knowledge of the business operations and markets in which we operate. Through maintaining good communications, members of staff are encouraged to realise the objectives of the Group and their own potential.

In addition, certain staff members undertake training in Kazakhstan for workplace safety where certificates are awarded for their completion.

Future developments

The Company will continue to focus on its Tier 1 copper and gold discovery opportunities in Kazakhstan with a view of pursuing possibly monetisation / joint development opportunities with the ultimate aim of successful mining operations.



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Sandy Barblett

Non-Executive Chairman

17 April 2025

The Directors present their report and financial statements for the year ended 31 December 2024.

Principal activities

In the 2024 year the Group was primarily concerned with the exploration and exploitation of its 8 mineral licenses held through its various Kazakhstan based subsidiaries.

Results

The Group recorded a loss for the year ended 31 December 2024 before taxation of £1,102,000 (2023: £1,528,000), which included an impairment charge on exploration assets of £62,000 (2023: £1,058,000). The Company recorded a loss before taxation for the year ended 31 December 2024 of £144,000 (2023: £488,000).

Directors

The following directors have held office during the period and to the date of these financial statements, apart from David Minchin who retired during the period:

Sandy Barblett	
Anthony Eastman	
Alex Walker	
David Minchin	(retired 26 June 2024)
Christopher van Wijk	(appointed 22 January 2024)

Details of the Directors' holding of Ordinary Shares and Warrants are set out in the Director's Remuneration Report.

Financial Risk & Management

The overall objective of the Board is to set policies that seek to reduce risk as far as practical without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies can be referenced in Note 22.

Share Capital

Details of the Company's issued share capital, together with details of the movements since incorporation, are shown in Note 18. The Company has one class of Ordinary Share, and all shares have equal voting rights and rank *pari passu* for the distribution of dividends and repayment of capital.

Substantial Shareholdings

At 16 April 2025, the Company had been informed of the following substantial interests over 3% of the issued share capital of the Company:

	Number of Shares	Percentage Holding
<i>Ilwella Pty Ltd</i>	61,808,950	15.6
<i>Alexander Casey Walker*</i>	56,631,664	14.3
<i>Rainer Heinz Ellmies</i>	25,699,363	6.5
<i>Oberon Investments Limited</i>	24,794,967	6.2
<i>Reedbuck Nominees Pty Lt</i>	24,699,363	6.2
<i>TS Capital Limited</i>	18,339,317	4.6

* Executive Director of East Star Resources Plc

Remuneration Policies

The remuneration policy of the Group is that each Director shall be entitled to a salary per annum from the date of Admission to manage the operations of the Group.

The remuneration committee has been appointed to reassess an appropriate level of Directors' remuneration and it is envisaged that the remuneration policy will assist to attract, retain and motivate Executive Directors and senior management of a high calibre with a view to encouraging commitment to the development of the Group and for long term enhancement of shareholder value. The Board believes that share ownership by Directors strengthens the link between their personal interests and those of shareholders although there is no formal shareholding policy in place.

The current Directors' remuneration comprises a basic fee and a long-term incentive plan at present.

Service contracts

The Directors entered into Service Agreements with the Company and its subsidiaries and continue to be employed until terminated by the Company or subsidiary. In the event of termination or loss of office the Director is entitled only to payment of his basic salary in respect of his notice period. In the event of termination or loss of office in the case of a material breach of contract the Director is not entitled to any further payment.

During the year each Director was paid for directors services with the parent company at a rate per annum as follows:

Alex Walker	£12,000 per annum
Sandy Barblett	£24,000 per annum
Anthony Eastman	£24,000 per annum
David Minchin	£24,000 per annum (retired 26 June 2024)
Christopher van Wijk	£12,000 per annum (appointed 22 January 2024)

Particulars of Directors' Remuneration

Particulars of Directors' remuneration, including Directors' warrants which, under the Companies Act 2006 are required to be audited, are given below.

Remuneration paid to the Directors' during the year ended 31 December 2024 was:

2024

	Salary (UK) £'000	Salary (Kazakhstan) £'000	Options £'000	Total £'000
Sandy Barblett *	26	-	-	26
Anthony Eastman *	26	-	-	26
Alexander Walker *, **	13	130	-	143
Chris van Wijk (appointed 22 January 2024) **	7	77	-	84
David Minchin (retired 26 June 2024)	4	-	-	4
	76	207	-	283

* Each director received an additional months fee in the current year as compensation for the reduction and deferral of fees in the prior year.

** £90,000 of CEO, Alexander Walker's and £77,000 of CTO Chris Van Wijk salary included here has been capitalised as attributable to exploration assets in Kazakhstan.

EAST STAR RESOURCES PLC – COMPANY NUMBER 13025608
DIRECTORS' REMUNERATION REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024



Amounts outstanding at year end was £nil.

2023	Salary (UK) £'000	Salary (Kazakhstan) £'000	Options £'000	Total £'000
Sandy Barblett	22	-	1	23
Anthony Eastman	22	-	-	22
Alexander Walker*	11	129	23	163
David Minchin	24	-	4	28
	79	129	28	236

* £47,000 of CEO Alexander Walker's salary included here has been capitalised as attributable to exploration assets in Kazakhstan.

Amounts outstanding at year end was £5,000.

Bonus and incentive plans

On 28 March 2023 the Company implemented a long-Term Incentive Plan available to employees of the Group. Employees are incentivised to remain in the employ of the Group with share options that vest based on service milestones.

Percentage change in the remuneration of the Chief Executive Officer ("CEO")

CEO remuneration has remained relatively stable, save for a reduction in value of £23,000 given the LTIP warrants issued in the prior period compared to no LTIP warrants issued in the current year.

Directors' interests in shares

The beneficial interest of the Directors in the Ordinary Share Capital of the Company at 17 April 2025 were:

	Ordinary Shares	Percentage of issued share capital
	#	%
Sandy Barblett	2,289,130	0.6
Alexander Walker	56,631,664	14.3
Anthony Eastman	1,369,565	0.3
Chris van Wijk	870,000	0.2
	61,160,359	15.4

EAST STAR RESOURCES PLC – COMPANY NUMBER 13025608
DIRECTORS' REMUNERATION REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024



The Directors held the following warrants as at 17 April 2025:

Director	31 December 2023	Granted during the period	Lapsed during the period	17 April 2025
Sandy Barblett	-	-	-	-
Alexander Walker	1,254,679	-	-	1,254,679
Anthony Eastman	1,399,681	-	-	1,399,681
Chris van Wijk (appointed 22 Jan 2024)	-	-	-	-
David Minchin (retired 26 Jun 2024)	-	-	-	-
	2,654,360	-	-	2,654,360

The Directors held the following options as at 17 April 2025:

Director	31 December 2023	Granted during the period	Lapsed during the period	17 April 2025
Sandy Barblett	539,855	-	-	539,855
Alexander Walker	10,898,511	-	-	10,898,511
Anthony Eastman	289,855	-	-	289,855
Chris van Wijk (appointed 22 Jan 2024)	-	-	-	-
David Minchin (retired 26 Jun 2024)	1,789,855	-	-	1,789,855
	13,518,076	-	-	13,518,076

UK 10-year performance graph

The Directors have considered the requirement for a UK 10-year performance graph comparing the Group's Total Shareholder Return with that of a comparable indicator. The Directors do not currently consider that including the graph will be meaningful because the Company has only been listed for a relatively short period of time. The Group is not paying dividends and is currently incurring losses and hence the remuneration of Directors is not specifically linked to performance. Therefore, we do not consider the inclusion of this graph to be useful to shareholders at the current time. The Directors will review the inclusion of this table for future reports.

UK 10-year CEO table and UK percentage change table

The Directors have considered the requirement for a UK 10-year CEO table. The Directors do not currently consider that including these tables would be meaningful given that this was the second year the Group had a CEO. The Directors will review the inclusion of this table for future reports.

**EAST STAR RESOURCES PLC – COMPANY NUMBER 13025608
DIRECTORS' REMUNERATION REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**



Matters covered in the Strategic report

Items required under Schedule 7 to be disclosed in the directors' report are set out in the strategic report in accordance with s.414C(11) CA 2006.

Sandy Barblett
.....

Sandy Barblett

Non-Executive Chairman

17 April 2025

As a Company listed on the standard list of the main market, the Company is not required to comply with the provisions of the UK Corporate Governance Code. Nevertheless, the Directors are committed to ensuring that appropriate standards of corporate governance are maintained, so far as is appropriate given the Enlarged Group's current stage of development, the size and composition of the Main Board and available resources. The Board will aim to comply with the QCA Guidelines on Corporate Governance ("QCA Guidelines"). The Board has reviewed the recent changes to the code and have assessed their potential impact on the management of the Group.

The QCA Code has ten principles of corporate governance that the Group applies to establish the governance foundations of the business. These principles are:

1. Establish a purpose, strategy and business model which promote long term value for shareholders;
2. Promote a corporate culture that is based on ethical values and behaviours;
3. Seek to understand and meet shareholder needs and expectations;
4. Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long term success;
5. Embed effective risk management, considering both internal controls and assurance activities, considering both opportunities and threats, throughout the organisation;
6. Establish and maintain the board as a well-functioning balanced team led by the Chair;
7. Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities;
8. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement;
9. Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose strategy and culture; and
10. Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders.

Here follows a short explanation of how the Group applies each of the principles, including where applicable an explanation of why there is a deviation from those principles.

Principle One

Business Model and Strategy

The Group holds several mining licenses in Kazakhstan and is actively carrying out explorative activities across a number of these licenses. It has a clear strategy of exploring these licenses and looking to capitalise on future opportunities as detailed in the Strategic Report. Further to earlier comments on risk and strategy the Group is committed to broadening its area and scope of operations as appropriate.

Principle Two

Corporate Culture

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Group as a whole which in turn will impact the Group's performance. The Directors are very aware that the tone and culture set by the Board will greatly impact all aspects of the Group and the way that consultants or other representatives behave. The corporate governance arrangements that the Board has adopted are designed to instil a firm ethical code to be followed by Directors, consultants and representatives alike throughout the entire organisation. The Group strives to achieve and maintain an open

and respectful dialogue with representatives, regulators, suppliers and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Group to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through everything that the Group does. The Directors are focused on ensuring that the Group maintains an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Group has adopted, a code for Directors' dealings in securities which is appropriate for a company whose securities are traded on this main market and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016. Issues of bribery and corruption are taken seriously. The Group has a zero-tolerance approach to bribery and corruption and has recently put an anti-bribery and corruption policy in place to protect the Group, its employees and those third parties to which the business engages with.

Principle Three

Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. They will be encouraged to attend the AGM and participate in hearing the CEO who provides regular updates on social media platforms.

Principle Four

Considering wider stakeholder and social responsibilities

The Board recognises that the long-term success of the Group is reliant upon open communication with its internal and external stakeholders: investee companies, shareholders, contractors, suppliers, regulators and other stakeholders. The Group has created close ongoing relationships with a broad range of its stakeholders and will ensure that it provides them with regular opportunities to raise issues and provide feedback to the Group. The Group is committed to delivering lasting benefit to the local communities and environments where we work as well as to our shareholders, employees and contractors. As the Group evolves, we anticipate that this aspect of community engagement will evolve further.

Principle Five

Risk Management

The Board is responsible for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Group. The Group has a framework of internal financial controls to address financial risk and regularly reviews the non-financial risks to ensure all exposures are adequately managed. The Group maintains appropriate insurance cover in respect of legal actions against the Directors as well as against material loss or claims against the Group. The principal risks and uncertainties are as set out in the Strategic Report.

Principle Six

A Well-Functioning Board of Directors

The Board will maintain a balance of executives and non-executive Directors. Currently there are 2 non-executives including the Chairman and 2 Executives. There are no mandatory hours for Directors to be available for Group business although the CEO is required to commit 100% of his working time to the Group. The non-executive Directors are available for any Group business when it may arise.

Further information about the Directors can be found in the Key Personnel report as well as the Company website at www.eaststarplc.com. The Directors met 6 times throughout the year to discuss key issues and to monitor the overall performance of the Group. All Directors attended all meetings during the year.

Principle Seven

Appropriate governance structures

The Group's governance structures are appropriate for a Group of its size. The Board also meets regularly and the Directors continuously maintain an informal dialogue between themselves. The Chairman is responsible for the effectiveness of the Board as well as primary contact with shareholders, while the execution of the Group's investment strategy is a matter reserved for the Chief Executive. The current Governance structure is outlined below:

Audit Committee

The Group audit committee comprises two members, being, Anthony Eastman (as Chair) and Sandy Barblett which will have primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Group is properly measured and reported on and for reviewing reports from the Group's auditors relating to the Group's accounting and internal controls.

The committee is also responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Enlarged Group is properly monitored and reported. The audit committee has met twice during the year and will meet to approve these financial statements.

Remuneration Committee

The Group committee comprises two directors, Mr. Sandy Barblett (as Chair) and Mr. Anthony Eastman, being responsible for both the review and recommendation of the scale and structure of remuneration for senior management. In reviewing the remuneration policy of the Group, this will include any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Group.

The members of the committee shall serve for an initial term of three years from re-admission. The remuneration committee has met twice during the year.

Nominations Committee

No nominations committee has been established with all matters to be considered by the Board as a whole.

The Group believes that the Directors have wide ranging experience working for/and/or advising businesses operating within the natural resources sector. They also have an extensive network of relationships to reach key decision-makers to help achieve their strategy. The Board recognises that it currently does not have any female Directors however as it grows, it will look to recruit and develop a diverse and more gender-balanced executive team.

Principle Eight

Evaluation of Board Performance

Internal evaluation of the Board, the Committees and individual Directors will be undertaken on an annual basis in the form of peer appraisal and discussions to determine the effectiveness and performance against targets and objectives. As a part of the appraisal the appropriateness and opportunity for continuing professional development whether formal or informal is discussed and assessed.

Principle Nine

Remuneration policies

The Board is committed to ensuring that the creation of value for shareholders aligns with the interests of executives and employees of the Group. Implementation during the year of a long-term incentive plan helps to align these interests and the Board clearly communicates to employees how remuneration is linked to the performance of the Group.

Principle Ten

Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders in compliance with regulations applicable to companies quoted on the LSE's Main Market. All shareholders are encouraged to attend the Company's Annual General Meeting where they will be given the opportunity to interact with the Directors. Investors also have access to current information on the Group through its website, (www.eaststarplc.com).

The Board takes feedback from a wide range of shareholders (large and small) and endeavours at every opportunity to pro-actively engage with all shareholders (via regular news reporting-RNS) and engage with any specific shareholders in response to particular queries they may have from time to time. The Board considers that its key decisions during the year have impacted equally on all members of the Group.

Climate change risk - (TCFD)

The Board considers the impact that the Group has on the environment and aims to conduct its operations in a responsible and sustainable way as it relates to climate change. The Kazakhstan government ensures that Discovery Ventures Kazakhstan Limited ("DVK") completes environmental surveys detailing impacts on the environment and particular the soil. This survey also assesses estimated costs to restore any drilling site to its original condition. As a result of this DVK outlays significant funds to ensure adequate Sub Soil insurance to cover its obligations.

The Board are also aware that as operations expand their energy consumption will increase along side. Currently the Board do not consider the energy consumed in relation to drilling to be at a level where it needs to put in place mitigators.

The Directors consider that the environmental compliance requirements imposed on them by the Kazakhstan Government to be sufficient and hence have not explored any additional reporting. The Directors will continue to monitor the requirements in Kazakhstan and will look to potentially include in future annual reports when the information becomes material to shareholders and other key stakeholders.

In line with the requirements of the Financial Conduct Authority's Listing Rule 14.3.27R, and for the above reasons, we note that we have not made the disclosures, in respect of the financial year ended 31 December 2024, in line with the recommendations and recommended disclosures of the TCFD.

External Auditor

The Audit Committee has met with the auditor at least twice a year to consider the results, internal procedures and controls and matters raised by the auditor. The Board considers auditor independence and objectivity and the effectiveness of the audit process. It also considers the nature and extent of the non-audit services supplied by the auditor reviewing the ratio of audit to non-audit fees and ensures that an appropriate relationship is maintained between the Group and its external auditor.

As part of the decision to recommend the appointment of the external auditor, the Board considers the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. There are no contractual obligations restricting the Board's choice of external auditor. The Group has a policy of controlling the provision of non-audit services by the external auditor in order that their objectivity and independence are safeguarded.

Internal financial control

Financial controls have been established so as to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use.

Key financial controls include:

- a schedule of matters reserved for the approval of the Board;
- evaluation, approval procedures and risk assessment for acquisitions; and
- close involvement of the Directors in the day-to-day operational matters of the Group.

Shareholder Communications

The Group uses a regulatory news service and its corporate website (www.eaststarplc.com) to ensure that the latest announcements, press releases and published financial information are available to all shareholders and other interested parties.

The Annual General Meeting is used to communicate with both institutional shareholders and private investors and all shareholders are encouraged to participate. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a resolution to approve the Annual Report and Financial Statements. The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution after it has been dealt with by a show of hands.

Statement of directors' responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards for the group and, as regards to the Parent Company Financial Statements, as applied in accordance with the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the profit and loss of the Group for that period.

In preparing the financial statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Ensure statements comply with UK adopted International Accounting Standards in conformity with the Companies Act 2006 for the period; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group enabling them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements are published on the Company's website www.eaststarplc.com. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and accordingly, the Auditor accepts no responsibility for any changes (although changes highly unlikely) that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

Disclosure and Transparency Rules

Details of the Company's share capital and warrants and options are given in Notes 18 and 19 respectively. There are no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares

carry any special rights with regard to the control of the Company. There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights. As far as the Group is aware there are no persons with significant direct or indirect holdings other than the Directors and other significant shareholders as shown on page 11. The provisions covering the appointment and replacement of directors are contained in the Company's articles, any changes to which require shareholder approval. There are no significant agreements to which the Company is party that take effect, alter or terminate upon a change of control following a takeover bid and no agreements for compensation for loss of office or employment that become effective as a result of such a bid.

Requirements of the Listing Rules

Listing Rule 9.8.4 requires the Group to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures required in relation to Listing Rule 9.8.4.

Auditor Information

The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company and Group's Auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company and Group's Auditor is aware of that information

Political Donations

The Group did not make any donations to political parties in the period.

Events after the reporting period

See note 30 in the consolidated financial statements.

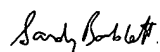
Directors' Indemnity Provisions

The Group has implemented Directors and Officers Liability Indemnity insurance.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Further details are given in Note 2.2 to the Financial Statements. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

On behalf of the board:



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Sandy Barblett

Non-Executive Chairman

17 April 2025

Opinion

We have audited the financial statements of East Star Resources PLC (the 'Parent Company') and its subsidiaries (the "Group"), for the year ended 31 December 2024 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated and company statement of cashflows and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements of East Star Resources PLC give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended and of the Group's cashflows position as at 31 December 2024;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the Group and Parent Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Parent Company, the accounting processes and controls, and the industry in which they operate.

Our scoping considerations for the Group audit were based both on financial information and risk. In total we have identified 2 distinct components within the group financial statements.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion. Based on our professional judgement, we determined materiality and performance materiality for the financial statements of the Group and of the Parent Company as follows:

EAST STAR RESOURCES PLC – COMPANY NUMBER 13025608
INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF EAST STAR
RESOURCES PLC
FOR THE YEAR ENDED 31 DECEMBER 2024



	Group financial statements	Parent company financial statements
Materiality	£81,800 (2023: £77,200)	£78,000 (2023: £63,000)
Basis for determining materiality	2.5% of Gross Assets	2.5% of Gross Assets (capped below group materiality)
Rationale for benchmark applied	The group's principal activity is that of a mining exploration and development business. The business is highly asset focused and has no operational revenues at this stage. Therefore, a benchmark for materiality of the gross assets of the group is considered to be appropriate. This is consistent with the key financial indicators disclosed in the Chairman's statement, which also includes loss before taxation for the year. However, given the business is pre-revenue stage we have focused on gross assets for the current period audit, as also included in the Chairman's statement disclosure.	The company primarily operates as a holding company for the group and has historically had no material income. Therefore, a benchmark based on the gross assets of the company is considered to be appropriate. This will also be the key performance indicator for stakeholders in the business.
Performance materiality	£61,350 (2023: £57,900)	£57,035 (2023: £47,250)
Basis for determining performance materiality	75% of materiality	75% of company materiality (capped at a lower ISA 600 component materiality figure)
Reporting threshold	£4,090 (2023: £3,510)	£3,800 (2023: £3,150)
Basis for determining reporting threshold	5% of materiality	5% of materiality (capped at a lower ISA 600 threshold figure)

We reported all audit differences found in excess of our reporting threshold to the audit committee.

For each Group component within the scope of our Group audit, we determined a materiality that is less than our overall Group materiality.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Including going concern this is not a complete list of all risks identified by our audit.

Valuation & recoverability of investments £6.3m (2023: £6.3m) & receivables due from subsidiary companies £4.6m (2023: £3.7m)

Significance and nature of the key audit matter

The monetary value of both the investment figure and the trade receivables balance with subsidiary company (Discovery Ventures Kazakhstan Limited) are highly material. The recovery risk associated with both figures is also raised due to the subsidiary not currently being revenue generating and having net liabilities at the year end.

How our audit addressed the key audit matter

We confirmed that the subsidiary company, including the other subsidiary companies owned by this subsidiary, do not have sufficient net assets in order to repay the receivable balance

We obtained management's assessment over recoverability and audited the key assumptions included in this, these being:

That the rights to explore the related reserve areas have been secured via mining licenses. That continued exploration of these areas is budgeted as part of the minimum spending commitments as per each mining license. That early results to date are positive and that there is no evidence to suggest that the ultimate commercial viability of the business is threatened at this stage. Initial technical reports produced suggest the estimated net present value of returns are far in excess of the value of these assets.

We have considered each assumption made and agree that these are consistent with audit evidence available. We interrogated the technical report, including assessing the preparer of this to ensure it could be relied upon. We performed stress testing over the estimates involved in order to conclude that there is substantial headroom between net present value and carrying value of related assets.

Key observations

We have no concerns over the material existence and accuracy of these assets in the financial statements based on audit evidence available. However, as noted in our going concern section, given that there is a material uncertainty over the business as a whole there is therefore also a material uncertainty over the recoverability of these balances. This is as the recovery strategy is ultimately dependent on a commercially successful mining operation.

Valuation & classification of exploration assets £2.4m (2023: £2.3m)

Significance and nature of the key audit matter

The exploration assets have the potential to be materially overstated due to the incorrect capitalisation of exploration expenses as a result of not meeting the IFRS 6 recognition criteria. Additionally, impairment indicators may exist which would trigger the need for an impairment assessment resulting in the assets being reduced in value.

The assessment around whether IFRS 6 criteria is being met as well as the overall impairment assessment requires a significant level of estimation and judgement from management. As such this is considered a key audit risk.

How our audit addressed the key audit matter

We have considered the stage of all the current projects being undertaken by the business and considered the evidence available to determine if IFRS 6 is the appropriate standard to consider for the accounting treatment of costs incurred on these projects.

After determining that the IFRS 6 standard is the most appropriate accounting basis we selected a sample of additions for the current year. Supporting audit evidence was obtained for each allowing us to determine if capitalisation of the expenses as in accordance with IFRS 6. We further determined whether the value and date of capitalisation was appropriate.

We obtained management's assessment over exploration assets and audited the key assumptions which are as listed in the 'Valuation/recoverability of investments & receivables in subsidiary companies' audit risk assessment.

We have considered each assumption made and agree that these are consistent with audit evidence available. We scrutinised the technical report, including assessing the preparer of this to ensure it could be relied upon. We performed stress testing over the estimates involved in order to conclude that there is substantial headroom between net present value and carrying value of related assets.

Key observations

We have no concerns over the material accuracy of these assets in the financial statements based on audit evidence available. However, as noted in our going concern section, given that there is a material uncertainty over the business as a whole there is therefore also a material uncertainty over the recoverability of these balances. This is as the recovery strategy is ultimately dependent on a commercially successful mining operation.

Material uncertainty relating to going concern

We draw attention to note 2.2 in the financial statements, which discloses that the Group is in a exploratory pre-revenue phase and that its ability to meet liabilities as they fall due at present is based on the ability of the Group to continue to raise funds via debt and equity funding. This situation will remain the same for the foreseeable future given the timescales involved in moving from the mining exploration stage into full production stage. Additionally there is the inherent uncertainty over the long-term technical feasibility and economic viability of such projects at this early exploration stage. These events or conditions, along with other matters set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. This conclusion is reached based on the following procedures. We have:

- *Evaluated the design and implementation of key internal controls over management's assessment of going concern, considering in detail the rationale provided and whether this was consistent with our understanding as well as audit evidence obtained; and*
- *Evaluated the management's going concern assessment for completeness of and reasonableness of assumptions as well as ensuring that this is in line with the disclosures included in the financial statements; and*
- *Considered the key financial data of the group and company at year end and assessed the financial headroom available by reference to ongoing cash commitments over a period of at least 12 months from the date of the approval of these financial statements; and*
- *Specifically considered the willingness and ability of shareholders to continue to provide equity finance to the business based on historic track record of support, capital raises after the balance sheet date and further audit evidence obtained from shareholders; and*
- *Specifically considered the ability of the Group to free up cash flows via other options, including external finance partnerships, should this be required, to assess the likelihood and quantum of funds that could be made available to the business; and*
- *Considered the accuracy of spending forecasts produced by management by reference to key assumptions made as well as the historical accuracy of forecasts previously prepared by management, taking into account variances that arose; and*
- *Considered the general trends and results of exploration activity to date in order to assess for audit evidence that the long-term technical feasibility and economic viability of the various mining projects might be in doubt.*

Given our conclusions reached that there is a material uncertainty with respect to going concern this same material uncertainty therefore also extends to related balances included within these financial statements. Specifically, over the ultimate recoverability of investments in subsidiaries of £6.3m (2023: £6.3m); the recovery of intercompany receivables of £4.5m (2023: £3.7m) included in the company statement of financial position and the value of exploration assets of £2.5m (2023: £2.3m) in the consolidated statement of financial position. This is as the realisation of these assets is based on the ultimate viability of developing a commercially successful mining business.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our consideration of climate change related risks

The financial impacts on the Group of climate change and the transition to a low-carbon economy (climate change) were considered in our audit where they have the potential to directly or indirectly impact key judgements and estimates within the financial statements.

The Group continues to develop its assessment of the potential impacts of climate change. Climate risks have the potential to materially impact the key judgements and estimates within the financial report. Our audit considered those risks that could be material to the key judgements and estimates in the assessment of the carrying value of non-current assets and closure and rehabilitation provisions.

The key judgements and estimates included in the financial statements incorporate actions and strategies, to the extent they have been approved and can be reliably estimated in accordance with the Group's

accounting policies. Accordingly, our key audit matters address how we have assessed the Group's climate-related assumptions to the extent they impact each key audit matter.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Our opinion on the Remuneration report

Kreston Reeves has audited the Remuneration report set out on pages [X] to [X] of the Annual Report for the financial year. The Directors of the Company are responsible for the preparation and presentation of the Remuneration report in accordance with the Companies Act 2006. Kreston Reeves' responsibility is to express an opinion on the Remuneration report, based on our audit conducted in accordance with International Accounting Standards. In Kreston Reeves' opinion, the Remuneration report of the Group for the period complies with the requirements of the Companies Act 2006.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement (set out on page [X]), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and Parent Company'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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (UK) 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 these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Capability of the audit in detecting irregularities, including fraud

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework and the relevant mining regulations and tax compliance regulations in the jurisdictions in which the Group operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, mainly relating to minimum spending commitments, health and safety, employee matters, bribery and corruption practices and environmental requirements; and
- Detailed discussions were held with management to identify any known or suspected instances of non-compliance with laws and regulations; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Challenging assumptions and judgements made by management in its significant accounting estimates. Specifically, in considering the appropriateness to capitalise expenditure as Exploration assets under IFRS 6; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, and reviewing correspondence with relevant regulatory authorities; and
- Performing integrity testing to verify the legitimacy of banking records obtained from management; and

- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation.
- We ensured our audit team had appropriate industry experience of the mining sector. Our audit planning included considering external market factors, for example geopolitical risk, the potential impact of climate change and other major trends in the industry.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 or the parent company'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 statements 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 or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent 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 consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Other matters which we are required to address

We were reappointed by the Audit Committee in the period to audit the financial statements. Our total uninterrupted period of engagement is two periods, covering the financial years ended 31 December 2023 and 31 December 2024.

The non-audit services prohibited by the Financial Reporting Council's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of our Report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Anne Dwyer BSc (Hons) FCA (Senior Statutory Auditor)

For and on behalf of

Kreston Reeves LLP

Chartered Accountants

Statutory Auditor

London

Date: 17 April 2025

EAST STAR RESOURCES PLC – COMPANY NUMBER 13025608
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024



		Audited Year ended 31 December 2024 £'000	Audited Year ended 31 December 2023 £'000
	Note		
Continuing Operations			
Revenue		-	-
Administrative expenses	4	(1,387)	(710)
Share based payments	19	(47)	(39)
Impairment	10 & 11	(62)	(1,058)
Other income		394	279
Loss before taxation		(1,102)	(1,528)
Taxation on loss or ordinary activities	7	-	-
Loss for the year from continuing operations		(1,102)	(1,528)
Other comprehensive income	8	233	(35)
Total comprehensive loss for the year attributable to shareholders from continuing operations		(869)	(1,563)
Basic & dilutive earnings per share - pence	9	(0.42)	(0.81)

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

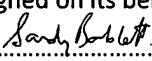
The notes form an integral part of these consolidated financial statements

		Audited As at 31 December 2024 £'000	Audited As at 31 December 2023 £'000
	Note		
NON-CURRENT ASSETS			
Exploration assets	10	2,448	2,149
Earn in advance (financial asset)	11	-	-
Property, plant and equipment	12	35	17
TOTAL NON-CURRENT ASSETS		2,483	2,166
CURRENT ASSETS			
Cash and cash equivalents	14	678	635
Trade and other receivables	16	110	127
TOTAL CURRENT ASSETS		788	762
TOTAL ASSETS		3,271	2,928
CURRENT LIABILITIES			
Trade and other payables	17	116	115
TOTAL CURRENT LIABILITIES		116	115
TOTAL LIABILITIES		116	115
NET ASSETS		3,155	2,813
EQUITY			
Share capital	18	3,975	2,187
Share premium	18	9,178	6,052
Share capital to issue	20	-	3,750
Share based payments reserve	19	354	307
Foreign exchange reserve		264	31
Reverse acquisition reserve	20	(4,795)	(4,795)
Retained earnings		(5,821)	(4,719)
TOTAL EQUITY		3,155	2,813

* Non-controlling interest of £29 (2023: £29) exists with business partner (Tau Ken Samruk) not stated above

The Company has taken advantage of section 408 of the Companies Act 2006 and consequently a profit and loss account has not been presented for the Company. The Company's total comprehensive loss for the financial period was £144,000 (2023: £488,000)

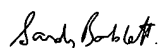
The financial statements were approved and authorised for issue by the board on 17 April 2025 and were signed on its behalf by:

 Non-Executive Chairman – Sandy Barblett

The notes form an integral part of these consolidated financial statements

		Audited As at 31 December 2024	Audited As at 31 December 2023
	Note	£'000	£'000
NON-CURRENT ASSETS			
Investment in subsidiary	13	6,269	6,268
Intercompany receivables	15	4,571	3,674
TOTAL NON-CURRENT ASSETS		10,840	9,942
CURRENT ASSETS			
Cash and cash equivalents	14	658	509
Trade and other receivables	16	52	47
TOTAL CURRENT ASSETS		710	556
TOTAL ASSETS		11,550	10,498
CURRENT LIABILITIES			
Trade and other payables	17	67	82
TOTAL CURRENT LIABILITIES		67	82
TOTAL LIABILITIES		67	82
NET ASSETS		11,483	10,416
EQUITY			
Share capital	18	3,975	2,187
Share premium	18	9,178	6,052
Share capital to issue	20	-	3,750
Share based payments reserve	19	354	307
Retained Earnings		(2,024)	(1,880)
TOTAL EQUITY		11,483	10,416

The financial statements were approved and authorised for issue by the board on 17 April 2025 and were signed on its behalf by:



Non-Executive Chairman – Sandy Barblett

The notes form an integral part of these consolidated financial statement

EAST STAR RESOURCES PLC – COMPANY NUMBER 13025608
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2024



	Share Capital £'000	Share Premium £'000	Share based payment reserve £'000	Foreign exchange reserve £'000	Reverse acquisitio n reserve £'000	Share Capital to be issued £'000	Retained Earnings £'000	Total Equity £'000
Balance at 31 December 2022	1,823	5,891	268	66	(4,795)	3,750	(3,191)	3,812
Loss for period	-	-	-	-	-	-	(1,528)	(1,528)
Other comprehensive income	-	-	-	(35)	-	-	-	(35)
Total comprehensive income for year	-	-	-	(35)	-	-	(1,528)	(1,563)
<i>Transactions with owners in own capacity</i>								
Ordinary Shares issued in the period	364	182	-	-	-	-	-	546
Share Issue Costs	-	(21)	-	-	-	-	-	(21)
Share based payments	-	-	39	-	-	-	-	39
Transactions with owners in own capacity	364	161	39	-	-	-	-	564
Balance at 31 December 2023	2,187	6,052	307	31	(4,795)	3,750	(4,719)	2,813
Loss for period	-	-	-	-	-	-	(1,102)	(1,102)
Other comprehensive income	-	-	-	233	-	-	-	233
Total comprehensive income for year	-	-	-	-	-	-	(1,102)	(869)
<i>Transactions with owners in own capacity</i>								
Ordinary Shares issued in the period	1,788	3,178	-	-	-	(3,750)	-	1,216
Share Issue Costs	-	(52)	-	-	-	-	-	(52)
Share based payments	-	-	47	-	-	-	-	47
Transactions with owners in own capacity	1,788	3,126	47	-	-	(3,750)	-	1,211
Balance at 31 December 2024	3,975	9,178	354	264	(4,795)	-	(5,821)	3,155

EAST STAR RESOURCES PLC – COMPANY NUMBER 13025608
COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2024



	Share capital	Share premiu m	Share based payment reserve	Share capital to issue	Retaine d earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 December 2022	1,823	5,891	268	3,750	(1,392)	10,340
Loss for period	-	-	-	-	(488)	(488)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for year	-	-	-	-	(488)	(488)
<i>Transactions with owners in own capacity</i>						
Ordinary shares issued in the period	364	182	-	-	-	546
Share based payments	-	-	39	-	-	39
Share issue costs	-	(21)	-	-	-	(21)
Transactions with owners in own capacity	364	161	39	-	-	564
Balance at 31 December 2023	2,187	6,052	307	3,750	(1,880)	10,416
Loss for period	-	-	-	-	(144)	(144)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for year	-	-	-	-	(144)	(144)
<i>Transactions with owners in own capacity</i>						
Ordinary shares issued in the period	1,788	3,178	-	(3,750)	-	1,216
Share issue costs	-	(52)	-	-	-	(52)
Share based payments	-	-	47	-	-	47
Transactions with owners in own capacity	1,788	3,126	47	(3,750)	-	1,211
Balance at 31 December 2024	3,975	9,178	354	-	(2,024)	11,483

EAST STAR RESOURCES PLC – COMPANY NUMBER 13025608
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024



		Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
	Note		
Cash flow from operating activities			
Loss before taxation for the financial year		(1,102)	(1,528)
<i>Adjustments for:</i>			
Share based payments	19	47	39
Settlement of fees through issue of equity		10	-
Impairment charge on exploration assets *		62	887
Foreign exchange movements		395	97
Depreciation		31	10
<i>Changes in working capital:</i>			
Decrease in trade and other receivables		9	6
Increase / (decrease) in trade and other payables		5	(12)
Net cash outflow from operating activities		(543)	(501)
Cash flows from investing activities			
Investment in exploration assets	18	(578)	(888)
Purchase of property, plant & equipment		(33)	(2)
Cash acquired on acquisition of subsidiary		-	-
Net cash flow from investing activities		(611)	(890)
Cash flows from financing activities			
Proceeds from issue of shares	19	1,196	546
Share issue costs	19	(52)	(21)
Net cash flow from financing activities		1,144	525
Net increase in cash and cash equivalents		(10)	(866)
Cash and cash equivalents at beginning of the period		635	1,456
Foreign exchange effect on cash balance		53	45
Cash and cash equivalents at end of the period	14	678	635

* Impairment charge is adjusted to reflect the true cash impact in the period and hence will not reconcile directly to the value in the Statement of Comprehensive Income.

The notes form an integral part of these consolidated financial statements

EAST STAR RESOURCES PLC – COMPANY NUMBER 13025608
COMPANY STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024



		Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
	Note		
Cash flow from operating activities			
Loss for the financial year		(144)	(488)
<i>Adjustments for:</i>			
Share based payments	19	47	39
Settlement of fees through issue of equity		20	-
Foreign exchange movements		-	(1)
<i>Changes in working capital:</i>			
(Increase) / decrease in trade and other receivables		(5)	(31)
(Decrease) / increase in trade and other payables		(15)	(2)
Net cash outflow from operating activities		(97)	(483)
Cash flows from investing activities			
Investment in subsidiaries	13	(1)	-
Loans to subsidiaries		(897)	(940)
Net cash flow from investing activities		(898)	(940)
Cash flows from financing activities			
Proceeds from issue of shares	19	1,196	546
Share issue costs	19	(52)	(21)
Net cash flow from financing activities		1,144	525
Net increase in cash and cash equivalents		149	(898)
Cash and cash equivalents at beginning of the period		509	1,407
Cash and cash equivalents at end of the period	14	658	509

The notes form an integral part of these consolidated financial statements

1. General Information

East Star Resources PLC (“the Company”) was incorporated on 17 November 2020 in England and Wales and remains domiciled there with Registered Number 13025608 under the Companies Act 2006, under the name Cawmed Resources Limited. The Company subsequently changed its name to East Star Resources Limited on 27 January 2021 and on 3 March 2021 re-registered as a PLC.

The address of its registered office and principal place of business is Ecclestone Yards, 25 Ecclestone Place, London SW1W 9NF, United Kingdom.

The principal activity of the Group is to explore opportunities in the natural resources sector specifically in relation to gold and copper extraction.

The Company originally listed on the London Stock Exchange (“LSE”) on 4 May 2021. The Company was suspended from trading on 19 July 2021 whilst managing a reverse takeover transaction and was then re-admitted to trading on 10 January 2022. The Company successfully completed the acquisition of its Kazakhstan based subsidiary – “Discovery Ventures Kazakhstan Limited” on 10 January 2022 and since then has been increasing exploration operations within the region. The consolidated financial statements are presented for the Company and all of its subsidiaries (“the Group”).

The Group Financial Statements have been prepared and approved by the Directors in accordance with UK-adopted International Accounting Standards (“IAS UK”), International standards and Interpretations (collectively IFRSs) issued by the International Accounting Standards Boards (IASB) and with those parts of the Companies Act 2006 applicable to those companies reporting under IFRS.

2. Accounting policies

The principal accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

2.1 Basis of preparation

The consolidated and parent company financial statements (“financial statements”) for the period ended 31 December 2024 have been prepared by East Star Resources PLC in accordance with UK-adopted International Accounting Standards (“IAS UK”). The Financial Statements have also been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. The functional currency of the Company is Pounds Sterling (£) as this is the currency that finance was raised in.

The functional currency of its subsidiaries is the Kazakhstan Tenge. For all subsidiaries these are the currencies that mainly influence labour, material and other costs of providing services. However, the presentational currency for the subsidiaries is United States Dollar (\$) as this is the currency that the subsidiaries are required to report to national mining authorities in.

The Group has chosen to present its consolidated financial statements in Pounds Sterling (£), as the Directors believe it is a more convenient presentational currency for users of the consolidated financial statements. Foreign operations are included in accordance with the policies set out below.

The accounting period for the Group covers the year ending on 31 December 2024. The financial statements are presented in Pounds Sterling and rounded to the nearest thousand (£'000).

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following items (refer to individual accounting policies for details):

- Financial instruments – fair value through profit or loss
- Financial instruments – fair value through other comprehensive income
- Contingent consideration
- Cash settled share-based payment liabilities

Reverse acquisition accounting treatment

During the period ended 31 December 2022, the Company acquired the entire share capital of Discovery Ventures Kazakhstan Ltd. As the Company (“accounting acquiree”) was purely a cash shell at time of acquisition it did not constitute a business and therefore the acquisition was treated as a reverse acquisition of DVK (“accounting acquirer”) and outside the scope of IFRS 3.

Critical accounting judgements and key sources of estimation uncertainty are disclosed in note 2.17.

2.2 Going concern

The Directors have prepared financial forecasts to estimate the likely cash requirements of the Group over the 12 months from sign off of the annual report. Given its stage of development and lack of recurring revenues, in preparing these financial forecasts, the Directors have made certain assumptions with regards to the timing and amount of future expenditure over which they have control. The Directors have considered the sensitivity of the financial forecasts to changes in key assumptions, including, among others, potential cost overruns within committed spend and changes in exchange rates.

The Directors have reasonable expectations that sufficient cash will be raised to fund the planned operations of the Group for a period of at least 12 months from the date of approval of these financial statements. The funding requirement indicates that a material uncertainty exists which may cast significant doubt over the Group’s and Company’s ability to continue as a going concern, and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. This has been detailed in the auditors report.

After due consideration of these forecasts, current cash resources, including the sensitivity of key inputs, the Directors consider that the Group will have adequate financial resources to continue in operational existence for the foreseeable future (being a period of at least 12 months from the date of this report) and, for this reason, the financial statements have been prepared on a going concern basis. The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Per IFRS 10, control is achieved when the Company:

- has the 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 affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company’s

voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

2.4 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and demand deposits with banks and other financial institutions. The Group holds the majority of group funds in Lloyds bank equivalent accounts through a forex platform (Alpha FX). Supplementary working capital funds are held in online banking platforms in the UK (Revolut) and physical banks in Kazakhstan.

2.5 Equity

Share capital is determined using the nominal value of shares that have been issued.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

Equity-settled share-based payments are credited to a share-based payment reserve as a component of equity until related options or warrants are exercised or lapse.

Retained losses includes all current and prior period results as disclosed in the income statement.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve except to the extent that the translation difference is allocated to non-controlling interests.

The reverse acquisition reserve was recognised during the formation of the Group when the legal acquiree was considered to be the accounting acquirer under the rules of IFRS 3. As the accounting acquiree was not a business under IFRS 3, a part of the transaction was outside the scope of IFRS 3. This resulted in the recognition of a 'reverse acquisition reserve' on consolidation and is set out in more detail in note 20.

Share capital to issue reserve relates to shares to be settled via the issue of the Company's shares at the year-end which meet the definition of equity per IAS 32 are classified as shares to be issue within equity and are held at fair value.

2.6 Foreign currency translation

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement;
- ii) income and expenses for each income statement are translated at spot exchange rates (unless the spot is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- iii) all resulting exchange differences are recognised in the Statement of Comprehensive Income and accumulated in the foreign exchange reserve in equity.

When a foreign operation is disposed of in its entirety or partially such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange reserve (attributed to non-controlling interests as appropriate).

2.7 Financial instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other comprehensive income or through profit or loss);
- those to be measured at amortised cost; and
- those to be measured subsequently at fair value through profit or loss.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

b) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

d) Impairment

The Group assesses, on a forward-looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.8 Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

2.9 Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

2.10 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

When the Group acquires any plant and equipment it is stated in the accounts at its cost of acquisition less a provision.

Depreciation is charged to write off the costs less estimated residual value of plant and equipment on a straight basis over their estimated useful lives being:

- Plant and equipment 5-7 years
- Furniture and fittings 5-7 years
- Computer equipment 3 years
- Motor vehicles 5 years

Estimated useful lives and residual values are reviewed each year and amended as required.

2.11 Exploration and evaluation assets

Intangible assets represent exploration and evaluation assets (IFRS 6 assets), being the cost of acquisition by the Group of rights, licences and know-how. Such expenditure requires the immediate write-off of exploration and development expenditure that the Directors do not consider to be supported by the existence of commercial reserves.

All costs associated with mineral exploration and investments, are capitalised on a project-by-project basis, pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads and these assets are not amortised until technical feasibility and commercial viability is established. If an exploration project is successful, the related expenditures will be transferred to “mining assets” and amortised over the estimated life of the commercial ore reserves on a unit of production basis.

The recoverability of all exploration and development costs is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition thereof.

Exploration and evaluation assets shall no longer be classified as such when the technical feasibility and commercial viability of extracting mineral resources are demonstrable. When relevant, such assets shall be assessed for impairment, and any impairment loss recognised, before reclassification to “Mine development”.

2.12 Share based payments

The Group has made awards of warrants and options on its unissued share capital to certain parties in return for services provided to the Group. The valuation of these warrants involved making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and interest rates. These assumptions have been integrated into the Black Scholes Option Pricing model and the Monte Carlo valuation model to derive a value for any share-based payments. These assumptions are described in more detail in the notes.

2.13 Taxation

Tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the group or parent company financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. As there is no reasonable expectation of future revenues to which tax losses could be applied no deferred tax asset has been recognised.

2.14 Leases

The Group recognises the guidelines set out in “IFRS 16 – Leases” and are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period. Right-of-use assets are measured at cost which comprises the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Payments associated with short-term leases (term less than 12 months) and all leases of low-value assets (generally less than £5k) are recognised on a straight-line basis as an expense in profit or loss. The short term lease exemption has been utilised by the Group in relation to property leases held in the Kazakhstan and the UK. These leases are on a rolling month-month basis and hence there is no long term commitment entered into and are also low-value assets.

2.15 Contingent asset

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets in these financial statements relate to VAT that is only offsetable against future revenue and hence these amounts are contingent on this occurrence and are classified as so.

2.16 Other comprehensive income

Gains or losses on the translation of currencies into the presentational currency are recognised as other comprehensive income in the Statement of Profit and Loss and Other Comprehensive Income and transferred to a separate foreign exchange reserve under equity.

2.17 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. 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 areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below:

Impairment of investments and loans to subsidiaries – Note 13 & 15

The Group and the Company assess at each reporting date whether there is any objective evidence that investments in and loans to subsidiaries are impaired. The value of the Company's investment in DVK amounts to £6.268 million (2023: £6.268 million) and intercompany loans amount to £4.497 million (2023: £3.674 million). To determine whether there is objective evidence of impairment, a considerable amount of estimation is required in assessing the ultimate realisation of these investments/receivables, including valuation, creditworthiness and future cashflows. As at the year end the Directors do not assess there to be any impairment of these amounts.

Recoverable value of exploration assets – Note 10

Costs capitalised in respect of the Group's mining assets are required to be assessed for impairment under the provisions of IFRS 6. In 2024 this amounted to £2.448 million (2023: £2.149 million) Such an estimate requires the Group to exercise judgement in respect of the indicators of impairment and also in respect of inputs used in the models which are used to support the carrying value of the assets. Such inputs include estimates of mineral reserves, production profiles, commodity prices, capital expenditure, inflation rates, and pre-tax discount rates that reflect current market assessments of (a) the time value of money; and (b) the risks specific to the asset for which the future cash flow estimates have not been adjusted. Management have concluded that it is appropriate to process an impairment charge in the year in relation to exploration assets and can be further evidenced at note 10.

Share based payments – Note 19

The Group issues options and warrants to its employees, directors, investors and advisors. These are valued in accordance with IFRS 2 "Share-based payments" with expense for the year being £0.05 million (2023: £0.04 million). In calculating the related charge on issuing shares and warrants the Group will use a variety of estimates and judgements in respect of inputs used including share price volatility, risk free rate, and expected life. Changes to these inputs may impact the related charge.

In the period the Group implemented a long-term incentive program for employees which can be evidence further at note 19. These options have various vesting dates and conditions and have been valued using the Black-Scholes method to assign an appropriate value in the financial statements.

2.18 New standards and interpretations adopted by the Group in the Year

The standards and interpretations that are relevant to the Group, effective in this financial year are listed below. There has been no impact on the financial statements from the adoption of these standards.

Standard	Impact on initial application	Effective date
Amendments to IAS 1 - <i>Classification of Liabilities as current or non-current</i>	Clarifies that the classification of liabilities as current or noncurrent should be based on rights that exist at the end of the reporting period.	Annual periods beginning on or after 1 January 2024
Amendments to IAS 1 – <i>Noncurrent Liabilities with Covenants</i>	Clarifies that only those covenants with which an entity must comply on or before the end of the reporting period affect the classification of a liability as current or non-current.	Annual periods beginning on or after 1 January 2024
Amendments to IFRS 16 – <i>Lease Liability in a Sale and Leaseback 4</i>	Specifies requirements relating to measuring the lease liability in a sale and leaseback transaction after the date of the transaction.	Annual periods beginning on or after 1 January 2024
Amendments to IAS 7 and IFRS 7 – <i>Supplier Finance Arrangements 4 5</i>	Requires an entity to provide additional disclosures about its supplier finance arrangements.	Annual periods beginning on or after 1 January 2024

2.19 Future new standards and interpretations not yet adopted by the Group

The standards and interpretations that are relevant to the Group, effective in future financial years are listed below. The Directors do not expect there to be an impact on the financial statements from the adoption of these standards when they do become effective.

Standard	Impact on initial application	Effective date
The amendments have been made to clarify:		
Amendments to IAS 21 – <i>Lack of Exchangeability</i>	- When a currency is exchangeable into another currency; and - How a company estimates a spot rate when a currency lacks exchangeability.	1 January 2025 (early adoption permitted)
Amendment to IFRS 9 and IFRS 7 – <i>Classification and Measurement of</i>	These amendments: - Clarify the requirements for the timing of recognition and derecognition of some financial	1 January 2026 (early adoption permitted)

Standard	Impact on initial application	Effective date
	assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; - Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;	
<i>Financial Instruments</i>	- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and - Make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).	
	This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: - The structure of the statement of profit or loss;	
IFRS 18 – <i>Presentation and Disclosure in Financial Statements</i>	- Required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and - Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.	1 January 2027 (early adoption permitted)
	This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers.	
IFRS 19 – <i>Subsidiaries without Public Accountability: Disclosures</i>	IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if: - it does not have public accountability; and - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.	1 January 2027 (early adoption permitted)

3. Segmental analysis

The Group manages its operations in two segments, being exploration activities in Kazakhstan and corporate functions in the United Kingdom. The results of these segments are regularly reviewed by the board as a basis for the allocation of resources, in conjunction with individual investment appraisals, and to assess their performance.

The Group generated no revenue during the year ended 31 December 2024 (2023: £nil).

31 December 2024	United Kingdom	Kazakhstan	Total
	£'000	£'000	£'000
Administrative expenses	(491)	(896)	(1,387)
Share based payments	(47)	-	(47)
Impairment charge	-	(62)	(62)
Other income	394	-	394
Operating loss from continued operations per reportable segment	(144)	(958)	(1,102)
Reportable segment assets	785	2,486	3,271
Reportable segment liabilities	(67)	(49)	(116)
Total	718	2,437	3,155

31 December 2023	United Kingdom	Kazakhstan	Total
	£'000	£'000	£'000
Administrative expenses	(449)	(261)	(710)
Share based payments	(39)	-	(39)
Impairment charge	-	(1,058)	(1,058)
Other income	-	279	279
Operating loss from continued operations per reportable segment	(488)	(1,040)	(1,528)
Reportable segment assets	557	2,372	2,929
Reportable segment liabilities	(83)	(33)	(116)
Total	474	2,339	2,813

Segment assets and liabilities are allocated based on geographical location.

4. Administrative expenses

Administrative expenses for the Group can further be broken down as per below:

	Year ended 31 Dec 2024	Year ended 31 Dec 2023
	£'000	£'000
Professional fees	(196)	(189)
Directors' fees *	(116)	(161)
Salaries & wages	(82)	(55)
Geological consulting and exploration costs	(15)	(111)
Insurance	(6)	(7)
Consultants	(52)	(29)
Travel	(33)	-
Foreign Exchange	(788)	9
Other administrative expenses	(99)	(167)
Administrative expenses	(1,387)	(710)

* As per Directors remuneration report, £167,000 of directors salary was capitalised as exploration assets in the year (2023: £47,000). All amounts were paid at year end.

5. Employees

The average number of persons employed by the Group (including directors) during the period ended 31 December 2024 was:

	2024	2023
Management	5	5
Non-management	8	7
	13	12

The highest paid director received total remuneration of £147,000 including share-based payments (2023: £163,000).

6. Auditor's Remuneration

	Year ended 31 December 2024	Year ended 31 December 2023
	£'000	£'000
Fees payable for the audit of the Group's financial statements	46	44
	46	44

7. Taxation

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
<i>A reconciliation of the tax charge appearing in the income statement to the tax that would result from applying the standard rate of tax to the results for the year is:</i>		
Loss per accounts	(1,102)	(1,528)
Tax credit at the weighted standard average rate of corporation tax in the UK of 25% and Kazakhstan of 20%	(227)	(298)
Adjustment for items disallowable for tax	47	7
Tax losses for which no deferred tax is recognised	180	291
Tax expense recognised in accounts	-	-

The Group has estimated tax losses carried forward of £3,870,000 (2023: £2,768,000) The taxed value of the unrecognised deferred tax asset is £722,000 (2023: £542,000) and these losses do not expire. No deferred tax assets in respect of tax losses have been recognised in the accounts as there is currently insufficient evidence of the timing of suitable future taxable profits against which they can be recovered.

There are no other factors following this change that may affect future tax charges.

8. Other comprehensive income

Items credited to the other comprehensive income line in the statement of comprehensive income relate to the impact of foreign exchange movements when translating the statement of financial position from functional to presentational currencies on consolidation. The corresponding movement is offset against the foreign exchange reserve in the statement of financial position:

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Foreign currency movements	233	(35)
	233	(35)

9. Earnings per share

The calculation of the basic and diluted earnings per share is calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December 2024	Year ended 31 December 2023
Loss attributable to shareholders of East Star Resources PLC - £'000	(1,102)	(1,528)
Weighted number of ordinary shares in issue	264,288,870	189,850,164
Basic & dilutive earnings per share from continuing operations – pence	(0.42)	(0.81)

There is no difference between the diluted loss per share and the basic loss per share presented. Share options and warrants could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share as they are anti-dilutive for the year presented.

10. Exploration assets

Group	£'000
Cost and carrying value – 1 January 2023	2,268
Additions	888
Foreign exchange	(75)
Impairment on licenses	(932)
At 31 December 2023	2,149
Additions	578
Foreign exchange	(249)
Impairment on licenses	(30)
At 31 December 2024	2,448

Exploration and evaluation assets relate specifically to expenditure to support the exploitation of exploration licenses held in the Kazakhstan based subsidiaries. The Group holds a total of 8 licenses across 3 mineral districts being specifically the Chu-Ili belt, East Kostanay region and Rudny Altai belt.

In accordance with IFRS 6, the Directors undertook an assessment of the following areas and circumstances which could indicate the existence of impairment:

- The Group's right to explore in an area has expired, or will expire in the near future without renewal;
- No further exploration or evaluation is planned by the Company or in conjunction with potential joint venture partners;
- The Board may consider to discontinue exploration and evaluation in an area due to the absence of a commercial level of reserves;

- Existing joint venture agreements have been terminated;
- Sufficient data exists to indicate that the book value may not be fully recovered from future development and production.

The Directors concluded that an impairment charge needed to be processed in the current year in relation to the licenses as detailed below:

- Being further committed expenditure on licences previously relinquished.

The Directors concluded that an impairment charge needed to be processed in the prior year in relation to the licenses as detailed below:

- License 670 – Dalny: The exploration asset relating to license 670 was fully impaired in the period. No further exploration is planned by the Group.
- License 774 – Apmintas: The exploration asset relating to license 774 has been partially impaired in the period. The Company is in the process of relinquishing 40% of the tenement package considered to be less prospective for a commercial gold discovery.

A 10% movement either way in the KZT/GBP exchange rate would change the fair value by approximately £245,000 (2023: £215,000).

11. Earn in advance (financial asset)

Group	£'000
Cost and carrying value – 1 January 2023	57
Additions	57
Foreign exchange	12
Impairment on licenses	(126)
At 31 December 2023	-
Additions	32
Impairment on licenses	(32)
At 31 December 2024	-

The licenses held jointly with Phoenix Mining Ltd in relation to rare earths are referred to above as a financial asset as they do not currently satisfy all the requirements of IFRS 6 to be capitalised as an exploration asset.

In the current year, an amount of £32,000 was incurred with respect to potential rehabilitation costs for the Talyryk licenses which was impaired immediately.

In the prior year, as the joint venture agreement with Phoenix Mining Ltd was terminated, an impairment charge of £126,000 was included in the accounts to write down the value of the assets to their fair value.

12. Property, plant & equipment

Group	Motor vehicle £'000	Plant and equipment £'000	Furniture and fittings £'000	Computer equipment £'000	Total £'000
Cost					
Opening balance – 1 January 2024	-	31	2	7	40
Additions	31	-	-	2	33
Foreign exchange	(3)	-	-	(2)	(5)
At 31 December 2024	28	31	2	7	68
Depreciation					
Opening balance – 1 January 2024	-	(19)	(1)	(3)	(23)
Charge for the year	(1)	(7)	-	(2)	(10)
At 31 December 2024	(1)	(26)	(1)	(5)	(33)
Net book value 31 December 2023	-	12	1	4	17
Net book value 31 December 2024	27	5	1	2	35

Group	Plant and equipment £'000	Furniture and fittings £'000	Computer equipment £'000	Total £'000
Cost				
Opening balance – 1 January 2023	29	2	7	38
Additions	2	-	-	2
At 31 December 2023	31	2	7	40
Depreciation				
Opening balance – 1 January 2023	(12)	-	(1)	(13)
Charge for the year	(7)	(1)	(2)	(10)
At 31 December 2023	(19)	(1)	(3)	(23)
Net book value 31 December 2022	17	2	6	25

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Net book value 31 December 2023	12	1	4	17
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13. Investment in subsidiaries

Company	£'000
Cost and carrying value – 31 December 2022	6,268
Additions during the year	-
At 31 December 2023	6,268
Additions during the year	1
At 31 December 2024	6,269

During the year, the Company acquired MVLKAZ Holdings Limited upon the establishment of the joint venture with Getech Group plc.

List of Subsidiaries

Name	Business Activity	Country of Incorporation	Registered Address	%age Holding 2024	%age Holding 2023
Discovery Ventures Kazakhstan Limited	Mineral exploration	Kazakhstan	VP 32, building 12/1, Dinmuhammed Konaev street, Yesil district, Astana, Z05H9B0, Kazakhstan	100%	100%
Chu Ili Resources Ltd*	Mineral exploration	Kazakhstan	bld. 12/1, VP 32, 3rd floor, IHUB coworking, D. Konayev Street, Yessil district, Astana city, Z05H9B0, Kazakhstan	80%	80%
Rudny Resources Ltd*	Mineral exploration	Kazakhstan	bld. 12/1, VP 32, 3rd floor, IHUB coworking, D. Konayev Street, Yessil district, Astana city, Z05H9B0, Kazakhstan	80%	80%
Copperland Limited *	Mineral exploration	Kazakhstan	bld. 12/1, VP 32, 3rd floor, IHUB coworking, D. Konayev Street, Yessil district, Astana city, Z05H9B0, Kazakhstan	100%	-
MVLKAZ Holdings Limited	Holding company	United Kingdom	Eccleston Yards, 25 Eccleston Place, London, SW1W 9NF	100%	-
MVLKAZ Limited **	Mineral exploration	Kazakhstan	VP 32, building 12/1, Dinmuhammed Konaev street, Yesil district, Astana, Z05H9B0, Kazakhstan	100%	-

* Subsidiaries held indirectly through Discovery Ventures Kazakhstan

**** Subsidiary held indirectly through MVLKAZ Holdings Limited**

14. Cash and cash equivalents

	Group		Company	
	As at 31 December 2024 £'000	As at 31 December 2023 £'000	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Cash at bank	678	635	658	509

15. Inter-company receivable

Company

	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Inter-company loan receivable	4,571	3,674
	4,571	3,674

16. Trade and other receivables

	Group		Company	
	As at 31 December 2024 £'000	As at 31 December 2023 £'000	As at 31 December 2024 £'000	As at 31 December 2023 £'000
VAT receivable	23	17	23	17
Prepayments	24	39	19	20
Other debtors	63	71	10	10
	110	127	52	47

Expected credit loss model under IFRS 9 has not been applied with respect to receivables due to this being inappropriate for the above receivables.

17. Trade and other payables

	Group		Company	
	As at 31 December 2024 £'000	As at 31 December 2023 £'000	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Trade payables	71	71	22	38
Accruals	44	44	44	44

Other payables	1	-	1	-
	116	115	67	82

18. Share capital and share premium

Group	Ordinary Shares #	Share Capital £'000	Share Premium £'000	Total £'000
At 31 December 2022	182,250,164	1,823	5,891	7,714
Issue of ordinary shares ¹	36,400,000	364	182	546
Share issue costs	-	-	(21)	(21)
At 31 December 2023	218,650,164	2,187	6,052	8,239
Issue of ordinary shares – exercise of warrants	1,200,333	12	24	36
Issue of ordinary shares – performance shares milestones reached ²	75,000,000	750	3,000	3,750
Issue of ordinary shares – share placement ³	100,926,292	1,009	151	1,160
Issue of ordinary shares – fees settled in shares ³	1,739,130	17	3	20
Share issue costs	-	-	(52)	(52)
At 31 December 2024	397,515,919	3,975	9,178	13,153

¹ On 16 October 2023, the Company issued 36,400,000 ordinary shares at £0.015 as part of a share placement.

² In July 2024, the Mineral Resource Estimate performance threshold of 1Moz at 2 g/t gold equivalent as per the share purchase agreement with the vendors of DVK was met resulting in the issue of 75m performance shares. The value of these shares of £3.75m were transferred from Shares to be Issued.

³ On 16 October 2024, the Company issued 100,926,292 ordinary shares at £0.0115 as part of a share placement along with 1,739,130 ordinary shares at the same price in settlement of £20,000 accrued director fees.

The share premium represents the difference between the nominal value of the shares issued and the actual amount subscribed less; the cost of issue of the shares, the value of the bonus share issue, or any bonus warrant issue.

The Company has only one class of share, being ordinary shares at a nominal value of £0.01 (2023: £0.01). All ordinary shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital.

19. Share based payments reserve

	Group £'000	Company £'000
As at 31 December 2022	268	268
Employee options issued ¹	32	32
LTIP options issued ²	7	7
As at 31 December 2023	307	307
Employee options issued ¹	32	32
LTIP options issued ²	15	15
Broker warrants ³	-	-
As at 31 December 2024	354	354

¹ On 13 December 2021, 11,250,000 employee options were granted. These options have an exercise price of £0.05 and expire 5 years from the grant date. Value attributed to the share based payments reserve in the current period represents the pro-rata portion of the expense brought to account over the vesting period.

² On 1 March 2023 the remuneration committee approved the adoption of a long-term incentive plan ("LTIP"). Value attributed to the share based payments reserve in the current period represents the pro-rata portion of the expense brought to account over the vesting period.

³ A total of 1,865,086 warrant were issued to brokers in relation to the capital raise completed in October 2024, with 1,578,130 having an exercise price of £0.03 and expiring 1 year from issue and 286,956 having an exercise price of £0.0115 and expiring in 3 years from issue.

Share based payments valuation

The charges associated with the share based payments have been applied to the statement of profit or loss and other comprehensive income. The following tables summarises the valuation techniques and inputs used to calculate the values of share based payments:

Warrants

Grant date	Number	Share price	Exercise price	Volatility %	RF Rate %	Technique
16 Oct 2024	1,578,130	0.0115	0.030	50	3.1	Black Scholes
16 Oct 2024	286,956	0.0115	0.0115	50	3.1	Black Scholes

Options

Grant date	Number	Share price	Exercise price	Volatility %	RF Rate %	Technique
1 Mar 2023	4,251,167	0.035	0.043	77	3.5	Black Scholes

Warrants

	As at 31 December 2024	
	Weighted average exercise price	Number of warrants
Brought forward at 1 January 2023		14,813,505
Lapsed in period	5p	(6,000,000)
Granted in period	3p	36,400,000
<i>Vested in period</i>	<i>3p</i>	<i>36,400,000</i>
Outstanding at 31 December 2023	4p	45,213,505
Exercisable at 31 December 2023	4p	45,213,505
Brought forward at 1 January 2024	4.00p	45,213,505
Lapsed in period	5.00p	(1,200,000)
Exercised in period	3.00p	(1,200,333)
Granted in period	3.00p	1,578,130
Granted in period	1.15p	286,956
Outstanding at 31 December 2024	3.33p	44,678,258
Exercisable at 31 December 2024	3.33p	44,678,258

The weighted average time to expiry of the warrants as at 31 December 2024 is 0.92 years (2023: 1.06 years).

Options

	As at 31 December 2024	
	Weighted average exercise price	Number of options
Brought forward at 1 January 2023	5p	11,250,000
Granted in period	4.3p	4,794,644
Cancelled in period	4.3p	(1,110,144)
<i>Vested in period</i>	-	-
Outstanding at 31 December 2024	5p	14,934,500
Exercisable at 31 December 2024		3,750,000
Brought forward at 1 January 2024	5p	14,934,500
Granted in period		-
Cancelled in period		-
<i>Vested in period</i>	4.3p	2,125,584
Outstanding at 31 December 2024	4.8p	14,934,500
Exercisable at 31 December 2024	4.7p	5,875,584

The weighted average time to expiry of the options as at 31 December 2024 is 3.68 years (2023: 4.67 years).

The option vesting conditions of the LTIP options are as below:

- 50% of the Shares under Option (rounded down to the nearest whole number) shall Vest on the first anniversary of the Date of Grant;
- 25% of the Shares under Option (rounded down to the nearest whole number) shall Vest on the second anniversary of the Date of Grant;
- 25% the remaining number of the Shares under Option shall Vest on the third anniversary of the Date of Grant.

20. Other Reserves

Share capital to issue reserve

Shares to be issued as part of acquisition based on performance milestone.

Foreign exchange reserve

Foreign exchange differences arising on translating into the reporting currency.

Share based payment reserve

Cumulative charge recognised under IFRS 2 in respect of share-based payment awards.

Reverse acquisition reserve

Represents the preacquisition value of the equity of the Parent Company and the investment in DVK, net of expenses that was made when DVK reversed into the company.

Retained earnings

Retained earnings represents cumulative profits and losses net of dividends and other adjustments.

21. Reverse acquisition

On 10 January 2022, the Company acquired the share capital of Discovery Ventures Kazakhstan Limited ("DVK"), through an issue of 45,000,000 consideration shares the entire share capital of DVK, whose principal activity is to undertake exploration activities relating to gold and copper mineral resources in Kazakhstan.

Although the transaction resulted in DVK becoming a wholly owned subsidiary of the Company, the transaction constitutes a reverse acquisition as in substance, it has resulted in a fundamental change in the business of the Company with the sole director of DVK becoming the Chief Executive Officer of the Company. Thus, the executive management of DVK now exerts significant influence over the executive management of the Company.

The shareholders of DVK acquired a 27.63% interest in the Company and the transaction has therefore been accounted for as a reverse acquisition. As the Company's activities prior to the acquisition were purely the maintenance of the Main Market LSE Listing, acquiring DVK and raising equity finance to provide the required funding for the operations of the acquisition the directors did not consider this to meet the definition of a business in accordance with IFRS 3.

Accordingly, this reverse acquisition does not constitute a business combination. Although, the reverse acquisition is not a business combination, the Company has become a legal parent and is required to apply IFRS 10 and prepare consolidated financial statements. The Directors have prepared these financial statements using the reverse acquisition methodology, but rather than recognising goodwill, the difference between the equity value given up by the DVK shareholders and the share of the fair value of net assets gained by the DVK shareholders is charged to the statement of comprehensive income as a share-based payment on reverse acquisition, and represents in substance the cost of acquiring a Main Market LSE listing.

In accordance with reverse acquisition accounting principles, these consolidated financial statements represent a continuation of the consolidated statements of DVK and its subsidiaries and include:

- The assets and liabilities of DVK and its subsidiaries at their pre-acquisition carrying value amounts and the results for both periods; and

- The assets and liabilities of the Company as at 10 January 2022 and its results from the date of the reverse acquisition on 10 January 2022 to 31 May 2022.

On 10 January 2022, the Company issued 45,000,000 ordinary shares to acquire the entire share capital of DVK. As part of the acquisition the Company also agreed to settle a separate convertible loan note held by DVK through the issue of 5,350,000 shares. On the same date, the Company was readmitted to the Main Market of the LSE, after completing its second placing round with a placing share price of £0.05 and therefore the Company has valued the investment in DVK at £6,267,500. (This figure includes both the initial consideration mentioned above as well as the contingent consideration on completion milestones)

Because the legal subsidiary, DVK, was treated on consolidation as the accounting acquirer and the legal Parent Company, East Star, was treated as the accounting subsidiary, the fair value of the shares deemed to have been issued by DVK was calculated at £3,477,008 based on an assessment of the purchase consideration for a 100% holding of East Star of 69,540,164 shares at a weighted average placing price of £0.05 per share (being the share price of East Star at acquisition).

The fair value of the net assets of East Star at acquisition was as follows:

	£'000
Cash and cash equivalents	1,835
Convertible loan notes	609
Other receivables	151
Trade and other payables	(848)
Net assets	1,747

The difference between the deemed cost (£3,477,000) and the fair value of the net assets assumed above of £1,747,000 resulted in £1,730,000 being expensed within "reverse acquisition expenses" in accordance with IFRS 2, Share Based Payments, reflecting the economic cost to DVK shareholders of acquiring a quoted entity.

The reverse acquisition reserve which arose from the reverse takeover is made up as follows:

	£'000
Pre-acquisition equity ¹	(473)
DVK share capital at acquisition ²	216
Investment in DVK ³	(6,268)
Reverse acquisition expense ⁴	1,730
	(4,795)

1. Recognition of pre-acquisition equity of East Star as at 10 January 2022.
2. DVK had equity at the date of acquisition of £216,000. As these financial statements present the capital structure of the legal parent entity, the equity of DVK is eliminated.
3. The value of the shares issued by the Company in exchange for the entire share capital of DVK as at the share price used in the placing that occurred simultaneously (£0.05). The above entry is required to eliminate the balance sheet impact of this transaction.
 - I. Initial consideration: 45 million shares at £0.05 (£2,250,000)
 - II. Contingent consideration: 75 million shares at £0.05 (£3,750,000)

III. Convertible loan notes settled on behalf of DVK through issue of 5.35m shares at £0.05 (£267,500)

4. The reverse acquisition expense represents the difference between the value of the equity issued by the Company, and the deemed consideration given by DVK to acquire the Company.

22. Financial Instruments and Risk Management

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. The overall strategy of the Company and the Group is to minimise costs and liquidity risk.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued share capital, share premium, reverse acquisition reserves, foreign exchange reserves and retained earnings as disclosed in the Consolidated Statement of Changes of Equity.

The Group is exposed to a number of risks through its normal operations, the most significant of which are interest, credit, foreign exchange and liquidity risks.

The management of these risks is vested to the Board of Directors. The sensitivity has been prepared assuming the liability outstanding was outstanding for the whole period. In all cases presented, a negative number in profit and loss represents an increase in expense/decrease in income.

General objectives and policies

As alluded to in the Directors report the overall objective of the Board is to set policies that seek to reduce risk as far as practical without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are detailed below.

Principal financial instruments

The principal financial instruments used by the Group from which the financial risk arises are as follows:

Policy on financial risk management

The Group's principal financial instruments comprise cash and cash equivalents, other receivables, trade and other payables. The Group's accounting policies and methods adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are set out in note 2 – "Accounting Policies".

The Group does not use financial instruments for speculative purposes. The carrying value of all financial assets and liabilities approximates to their fair value.

Derivatives, financial instruments and risk management

The Group does not use derivative instruments or other financial instruments to manage its exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices.

Foreign currency risk

The Group operates in a global market with income and costs arising in a number of currencies and is exposed to foreign currency risk arising from commercial transactions, translation of assets and liabilities and net investment in foreign subsidiaries. Exposure to commercial transactions arise from sales or purchases by operating companies in currencies other than the Group's functional currency. Currency exposures are reviewed regularly.

The Group has a limited level of exposure to foreign exchange risk through its foreign currency denominated cash balances, trade receivables and payables:

	31 December 2024
£GBP	£'000
Cash and cash equivalents	19
Trade and other receivables	58
Trade and other payables	(49)
	<u>28</u>

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group's exposure and the credit ratings of its counterparties are monitored by the Board of Directors to ensure that the aggregate value of transactions is spread amongst approved counterparties.

The Group applies IFRS 9 to measure expected credit losses for receivables, these are regularly monitored and assessed. Receivables are subject to an expected credit loss provision when it is probable that amounts outstanding are not recoverable as set out in the accounting policy.

The Group's principal financial assets are cash and cash equivalents. Cash equivalents include amounts held on deposit with financial institutions.

The credit risk on liquid funds held in current accounts and available on demand is limited because the Group's counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has zero trade receivables and therefore there is no risk relating to a 3rd party being unable to service its obligations.

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recorded in the financial statements.

Interest rate risk

The Group currently has no borrowings. The Group's principal financial assets are cash and cash equivalents. Cash equivalents include amounts held on deposit with financial institutions. The effect of variable interest rates is not significant.

Liquidity risk

During the period ended 31 December 2024, the Group was primarily financed by cash raised through equity funding and supplemented by funds provided through the BHP Xplor program. Funds raised surplus to immediate requirements are held as cash deposits in Sterling except for minor working capital requirements held in subsidiary bank accounts.

In managing liquidity risk, the main objective of the Group is to ensure that it has the ability to pay all of its liabilities as they fall due. The Group monitors its levels of working capital to ensure that it can meet its liabilities as they fall due.

The table below shows the undiscounted cash flows on the Group's financial liabilities as at 31 December 2024 on the basis of their earliest possible contractual maturity.

	Total £'000	Within 2 months £'000	Within 2-6 months £'000
At 31 December 2024			
Trade payables	71	71	-

23. Financial assets and liabilities

<i>Group – Year ended 31 December</i>	<i>Financial assets/liabilities at amortised cost</i>	
	2024	2023
	£'000	£'000
Trade and other receivables ¹	86	88
Cash and cash equivalents	678	635
Trade and other payables ²	(72)	(71)
	692	652

<i>Company – Year ended 31 December</i>	<i>Financial assets/liabilities at amortised cost</i>	
	2024	2023
	£'000	£'000
Trade and other receivables ¹	33	27
Cash and cash equivalents	658	509
Trade and other payables ²	(23)	(38)
	668	498

¹ Trade and other receivables excludes prepayments

² Trade and other payables excludes accruals

24. Statement of Net Debt

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Total bank loans and overdraft	-	-
Less: cash and cash equivalents	658	509
Net debt	658	509
Total equity attributable to shareholders of the parent	11,483	10,416
Gearing	n/a	n/a

25. Related Party Transactions

Orana Corporate LLP - Service Agreement

During the year, £45,000 of fees were accrued to Orana Corporate LLP (2023: £58,300), of which £5,430 was owing at year end (2023: £9,660) for the provision of corporate accounting services. In addition £11,607 (2023: £nil) was accrued for corporate finance services. Anthony Eastman is a director of East Star Resources PLC and Orana.

Other than these there were no other related party transactions.

Directors remuneration

See Directors report for details on Directors remuneration in the period.

26. Ultimate Controlling Party

As at 31 December 2024, there was no ultimate controlling party of the Group.

27. Capital Commitments

The Group is committed to the following minimum expenditure across various licenses within 12 months from 31 December 2024:

License area	License	Owner	Annual minimal expenditures on exploration
			£'000
Apmintas	774-EL	Chu-Ili Resources Limited	89
Novo 2	847-EL	Rudny Resources Limited	109
Novo 1	914-EL	Rudny Resources Limited	175
RA 1	1799-EL	Discovery Ventures Kazakhstan Limited	39
RA 3	1795-EL	Discovery Ventures Kazakhstan Limited	25
Snowy	2506-EL	Copperland	47

		Total	492
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28. Contingent assets

VAT recoverable

The subsidiaries of East Star Resources had accrued an amount of £38,000 (2023: £293,000) relating to VAT incurred on expenditure on the various mining licenses to 31 December 2024. As the Group is currently not generating revenue these amounts cannot be offset but are retained in the event that revenue is generated in a period of 5 years from incurring the expense.

Per "IAS 37 – Provisions, Contingent Liabilities and Contingent Assets" this amount should not be recognised as an asset due to the uncertainty of economic benefits flowing to the Group but is disclosed as a contingent asset as the inflow of economic benefits is probable.

29. Contingent liabilities

There were no contingent liabilities over the Group as at 31 December 2024.

30. Events subsequent to year end

Subsequent to year end the Company granted 8,458,688 options over new ordinary shares in the Company to employees and directors of the Company pursuant to the Company's Long Term Incentive Plan ("LTIP") (the "Options").

The Options have an exercise price of 1.5p and vest on the first anniversary of the grant date, being 11 March 2025, and expire on 10 February 2035.

1,601,489 of the Options were granted to the Company's Chief Executive Officer, Alex Walker, 2,500,000 of the Options granted to the Company's Technical Director, Chris van Wijk, and 1,020,290 of the Options granted to the Company's non-executive directors. The remaining 3,336,909 Options were granted to employees of the Company in Kazakhstan on the same terms as described above.