

Registered number: 07353748

KERAS RESOURCES PLC
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

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Throughout this document 'Keras', 'Keras Resources' or 'the Company' means Keras Resources PLC, 'the Group' means the Company and its subsidiaries and '\$' or 'USD' means the United States dollar.

KERAS RESOURCES PLC

COMPANY INFORMATION

Directors:	R Lamming (Executive Chairman) B Moritz (Non-Executive Director) C Parry (Non-Executive Director)
Company secretary:	MSP Corporate Services Limited
Company number:	07353748
Registered office:	Coveham House, Downside Bridge Road, Cobham, Surrey KT11 3EP
Nominated advisor and broker:	SP Angel Corporate Finance LLP 35-39 Maddox Street London W1S 2PP
Solicitor:	Howard Kennedy 1 London Bridge, London SE1 9BG
Auditor:	MAH, Chartered Accountants 154 Bishopsgate London EC2M 4LN
Registrars:	Share Registrars Limited 3 The Millennium Centre Crosby Way Farnham Surrey GU9 7XX

CHAIRMAN'S STATEMENT

I am pleased to provide shareholders with an update on Keras Resources Plc ("Keras" or the "Company") for the year ended 31 December 2025 and to set out the Board's view of the strategic opportunity now before Keras. This statement should be read in conjunction with the Strategic Update also published today.

Over the past year, we have focused on consolidating the business, investing in the operational platform at Diamond Creek, reflecting on our strategic positioning, carefully assessing the optimal allocation of capital, increasing shareholder returns, and evaluating our path forward. Additionally, the Company underwent a significant change in management in the first quarter of the year with Colton Hale taking over the leadership of the Falcon Isle Group ("FIR") in Utah (USA), comprising Falcon Isle Resources Corp. and Falcon Isle Holdings Inc, the 100% owner of the Diamond Creek high grade phosphate mine, whilst I assumed an interim, part-time executive Chairman role at Keras Resources Plc. With this backdrop, and a royalty already being received from the Nayega manganese project in Togo, there was an opportunity to consider change.

An Opportunity and a Strategic Repositioning

Earlier this year, the Board identified an opportunity to acquire a 51% interest in Cornerstone and support the consolidation and exploration of its land position near Opuwo in the Kaoko Belt of north-western Namibia. Cornerstone has assembled an initial contiguous land package of 6,214 hectares (62.14 square kilometres), encompassing several prospective areas, including historic artisanal and small-scale base-metal workings that provide tangible evidence of mineralisation. The Kaoko Belt is an emerging copper province which, despite its prospective geology and known copper occurrences, remains materially underexplored.

Following extensive data analysis and due diligence, the Board concluded that the Cornerstone portfolio represented a compelling opportunity to establish Keras in an emerging copper jurisdiction with the potential to create meaningful shareholder value. In considering the opportunity, the Board undertook a broader review of the Company's strategy, balance sheet, management resources and capital allocation priorities, including its continued investment in Diamond Creek.

Keras has invested considerable time and capital in developing the Diamond Creek phosphate operation, establishing processing capacity, refining its product offering and advancing downstream opportunities. This has created an established operating business with differentiated products, clear commercial potential and, under Colton's leadership, a strong and capable management team. The Board believes, however, that the business has reached an important inflection point and that its next phase of growth will require further capital investment.

Against this backdrop, the Board considered Keras' growing long-term debt and the competing capital requirements of Diamond Creek and the Namibian copper opportunity. It concluded that the underlying value and longer-term potential of FIR and its phosphate assets are not adequately reflected in Keras' current valuation and that the capital required to realise their full potential would be better sourced through a structure independent of Keras.

Accordingly, the Board determined that Keras' capital and management resources should instead be focused on the Namibian copper opportunity. This does not represent a change in the Board's view of the quality or potential of the phosphate business; rather, the proposed restructuring is intended to place FIR in a stronger position to fund its next stage of growth, while allowing Keras to pursue a new strategy focused on generating shareholder returns from copper in Namibia.

CHAIRMAN'S STATEMENT

In conjunction with the proposed acquisition, the Board has therefore agreed, subject to shareholder approval, to sell 100% of FIR to Christopher Grosso and Joe Carbone, two of Keras' major shareholders, for consideration comprising:

- a cash payment of US\$1.0 million, payable on completion; and
- the cancellation of all convertible loan notes held by the purchasers, including all accrued interest.

In addition, Keras will retain an uncapped royalty of US\$10 per tonne on material produced and sold by FIR, preserving meaningful exposure to the future growth and success of the Diamond Creek business without any associated ongoing operating costs or capital commitments.

The proposed transaction delivers a number of important benefits to Keras. On completion, the Company will receive substantial upfront cash consideration, remove its exposure to FIR's creditor position, which stood at £1.826 million at 31 December 2025, and eliminate £908,000 of long-term debt. Importantly, Keras will retain uncapped exposure to future royalty income for the life of the operation, without any further funding obligation.

The transaction will also simplify Keras' corporate structure and operating focus, allowing capital and management resources to be directed towards opportunities that the Board believes offer a more compelling pathway to shareholder value. Completion remains subject to shareholder approval, which will be sought at the Company's forthcoming AGM on 12 October 2026, with full details of the proposed transaction set out in the official circular.

In addition to the Transaction, immediately following this announcement, the Company will conditionally raise £1.8 million through the issue of 90 million new shares at 2p per share, a 43% premium to the 1 July 2026 closing price, with support from existing and new resource-sector investors (the "Subscription"). Members of the Board and PDMRs also intend to participate in the Subscription following the end of the close period on publication of these accounts. The raise will be completed in two tranches, with the second subject to shareholder approval at the AGM.

Further detail on the Subscription will be provided in the Strategic Update announcement.

Following completion, Keras will emerge with a materially strengthened balance sheet, no material debt and additional cash resources, while retaining potential long-term royalty income from both the Nayéga manganese mine in Togo and the Diamond Creek phosphate operation. This combination provides Keras with ongoing exposure to assets it has previously invested in and advanced, without associated funding obligations, while providing the financial flexibility to deploy capital into its proposed copper strategy in Namibia. The Board believes this represents a strong platform from which to build the next phase of Keras' growth.

Financial review

The Consolidated Statement of Comprehensive Income for the year shows a loss of £3,331,000 (2024 - loss £753,000). While disappointing in itself, the loss is primarily caused by an impairment charge of £2.8m relating to our North American assets in expectation of their disposal. The impairment charge takes no account of any future value of the royalty anticipated from FIR, if the recommendation for the restructuring of Keras's interest in FIR is supported by shareholders.

In August 2025 the Company raised £750,000 through a combination of an open offer to shareholders and a subscription from our major US shareholders, Chris Grosso and Joseph Carbone. As a result of these subscriptions, they now own some 45% of the total shares in issue.

CHAIRMAN'S STATEMENT

Board Changes

In January 2025 Graeme Stacey resigned as CEO, and I assumed the role of interim part-time Executive Chairman. Brian Moritz is retiring from all business activities and will be stepping down from the Board at the conclusion of the 2026 AGM. I would like to thank both of them for their efforts on behalf of the Company and specifically Brian who has been with the Company since inception and has been instrumental in navigating it through the various regulatory and accounting minefields associated with running a listed entity.

With a repositioned focus towards copper exploration, development and mining in Namibia the Board will require a different balance of skills. Claire Parry remains as Independent Non-Executive Director and Nick Taylor and Andrew Malashewsky will be appointed as Non-Executive Chairman and CFO and Executive Director on 14 September 2026 respectively. I will then be moving to CEO and Executive Director. Full details will be available in the Strategic Update announcement and AGM Circular

Conclusion:

The year ahead will be both exciting and important for Keras, with completion of the acquisition, execution of the proposed phosphate restructuring, mobilisation of the exploration team and commencement of field activities in Namibia representing key milestones. Importantly, we are now debt free while retaining exposure, through two royalty interests, to projects in which we have invested significant capital and management time and which we have helped advance. This structure allows us to retain potential future upside from those assets while focusing our resources on building Keras' next phase of growth in Namibia.

I would like to thank our shareholders for their continued patience and support during a period of transition. I would also like to thank my colleagues on the Board, our advisers and the wider technical team for their work in positioning the Company for what we believe can be a materially more attractive future.



Russell Lamming

Chairman

12 September 2026

STRATEGIC REPORT

While the Company remains a mining and exploration company, our focus is in the process of changing from being a producer of organic rock phosphate fertilizer products in the United States to being a miner of and explorer for copper near the town of Opuwo located in the Kaoko Copper Belt of north-western Namibia, an emerging copper province that remains materially underexplored. The rationale behind this change is fully set out in the Chairman's Statement.

Sustainability

Keras is committed to responsible mining and upholding ESG best practice across our business. We are similarly committed to our stakeholders and are focused on looking to create value and benefits for all whilst seeking to manage and mitigate the potential impacts that our operations may have.

Risk Management

The Board regularly reviews the risks to which the Group is exposed and ensures through its meetings and regular reporting that these risks are minimised as far as possible. The principal risks and uncertainties facing the Group at this stage in its development are:

Market Risk

As a globally traded, benchmark-priced commodity, copper is exposed to market risk in terms of both pricing and sales volume. Copper prices are influenced by a range of factors outside the Company's control, including global supply and demand, industrial activity, infrastructure investment, inventory levels, exchange rates, energy costs, geopolitical developments, and broader macroeconomic conditions.

Exploration Risk

The Group's business has included mineral exploration and evaluation which are speculative activities and there is no certainty that the Group will be successful in the definition of economic mineral resources, nor that it will proceed to the development of any of its projects or otherwise realise their value.

The Group aims to mitigate this risk when evaluating new business opportunities by targeting areas of potential where there is at least some reliable historical sampling, drilling or more detailed geological data available.

Resource Risk

All mineral projects carry risk associated with defined grade and continuity. Mineral resources and reserves are calculated by the Group in accordance with accepted industry standards and codes but are always subject to uncertainties in the underlying assumptions which include geological projection and commodity price assumptions. The Group reports exploration targets, mineral resources and ore reserves in accordance with internationally approved codes where our operations/projects are located, which set minimum standards for public reporting of mineral exploration results, mineral resources and ore reserves.

STRATEGIC REPORT

Development Risk

Delays in permitting, financing and commissioning a project may result in delays to the Group meeting development and/or production targets. Changes in commodity prices can affect the economic viability of mining projects and affect decisions on continuing exploration activity.

Mining and Processing Technical Risk

Notwithstanding the completion of metallurgical testwork, trial mining and pilot studies indicating the technical viability of a mining operation, variations in mineralogy, mineral continuity, ground stability, ground water conditions and other geological conditions may still render a mining and processing operation economically or technically non-viable. The Group has a small team of mining professionals experienced in geological evaluation, exploration, financing and development of mining projects. To mitigate development risk, the Group supplements this from time to time with engagement of external expert consultants and contractors.

Environmental Risk

Exploration and development of a project can be adversely affected by environmental legislation and the unforeseen results of environmental studies carried out during evaluation of a project. Once a project is in production unforeseen events can give rise to environmental liabilities.

As Keras undertakes mining operations, any disturbance to the environment during this phase is required to be rehabilitated, with specific requirements for closure and closure funding in accordance with prevailing regulations of the countries in which we operate as well as to international best-practice. Given the Group's size and scale it is not considered practical or cost effective to collect and report data on carbon emissions.

Financing & Liquidity Risk

The Group has had an ongoing requirement to fund its activities through the equity markets and may in future need obtain finance for further project development. There is no certainty such funds will be available when needed. To date, Keras has managed to raise funds through both debt and equity placements despite the very difficult markets that currently exist for raising funding in the junior mining industry.

Political Risk

All countries carry political risk that can lead to interruption of activity. Politically stable countries can have enhanced environmental and social permitting risks, risks of strikes and changes to taxation whereas less developed countries can have, in addition, risks associated with changes to the legal framework, civil unrest and government expropriation of assets.

Partner Risk

Whilst there has been no past evidence of this, the Group can be adversely affected if joint venture or equity partners are unable or unwilling to perform their obligations or fund their share of future developments. Keras will be operating in Namibia through Cornerstone, in which it will have an initial 51% interest.

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Bribery Risk

The Group has adopted an anti-corruption and bribery policy and whistle blowing policy under the Bribery Act 2010. Notwithstanding this, the Group may be held liable for offences under that Act committed by its employees or subcontractors, whether or not the Group or the Directors had knowledge of the commission of such offences.

Financial Instruments

Details of risks associated with the Group's financial instruments are given in Note 27 to the financial statements. Keras does not utilise any complex or derivative financial instruments.

Insurance Coverage

The Group intends to maintain a suite of insurance coverage that is appropriate for the Group and Company. Keras also has Directors and Officers insurance in place.

Internal Controls and Risk Management

The Directors are responsible for the Group's system of internal financial control. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's system is designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately. In carrying out their responsibilities, the Directors have put in place a framework of controls to ensure as far as possible that ongoing financial performance is monitored in a timely manner, that corrective action is taken and that risk is identified as early as practically possible. The Directors review the effectiveness of internal financial control at least annually.

The Board, subject to delegated authority, reviews capital investment, property sales and purchases, additional borrowing facilities, guarantees and insurance arrangements.

The Board takes account of the significance of social, environmental and ethical matters affecting the business of the Group. At this stage in the Group's development the Board has not adopted a specific policy on Corporate Social Responsibility as it has a limited pool of stakeholders other than its shareholders. Rather, the Board seeks to protect the interests of Keras' stakeholders through individual policies and through ethical and transparent actions. The Group has adopted an anti-corruption and bribery policy and a whistle blowing policy as stated previously.

Shareholders

The Directors are always prepared, where practicable and subject to confidentiality under the AIM Rules, to enter into dialogue with shareholders to promote a mutual understanding of objectives. The Annual General Meeting provides the Board with an opportunity to informally meet and communicate directly with investors.

Employees

The Group has will be employing staff in Namibia although it will operate primarily through contractors. Notwithstanding this, the Group engages its contract employees to understand all aspects of the Group's business and seeks to remunerate them fairly, being flexible where practicable. The Group gives full and fair consideration to applications for employment

STRATEGIC REPORT

received regardless of age, gender, colour, ethnicity, disability, nationality, religious beliefs, transgender status or sexual orientation. The Group takes account of employees' interests when making decisions and welcomes suggestions from employees aimed at improving the Group's performance.

The Group recruits locally as many of its employees and contractors as practicable. The Company has three directors, two male and one female.

Suppliers and Contractors

The Group recognises that the goodwill of its contractors, consultants and suppliers is important to its business success and seeks to build and maintain this goodwill through fair dealings. The Group has a prompt payment policy and seeks to settle all agreed liabilities within the terms agreed with suppliers. Contractors are appointed based on a detailed assessment of their capabilities, capacity and track record. Over time, as the Company grows its understanding of the various aspects of its operations in-sourcing of certain operational components may be considered as a means to reduce costs.

Health and Safety

The Board recognises that it has a responsibility to provide strategic leadership and direction in the development of the Group's health and safety strategy in order to protect all of its stakeholders. The Group does not have a formal health and safety policy at this time. This is re-evaluated as and when the Group's nature and scale of activities expand.

Section 172 statement

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of S172 are for the Directors to:

- Consider the likely consequences of any decision in the long-term;
- Act fairly between the members of the Company;
- Maintain a reputation for high standards of business conduct;
- Consider the interests of the Company's employees;
- Foster the Company's relationships with suppliers, customers and others; and
- Consider the impact of the Company's operations on the community and the environment.

STRATEGIC REPORT

The Company's operations and strategic aims are set out throughout the Strategic Report and in the Chairman's Statement, and relationships with stakeholders are also dealt with in the Corporate Governance Statement.

A handwritten signature in black ink, appearing to read 'Russell Lamming', is positioned above a horizontal line.

Russell Lamming

Director

This Strategic Report was approved by the Board of Directors on 12 September 2026.

CORPORATE GOVERNANCE STATEMENT

Corporate Governance

To the extent applicable, and to the extent possible (given the current size and structure of the Company and the Board), the Company has adopted the Quoted Companies Alliance Corporate Governance Code as amended in 2023. The Code requires certain matters to be dealt with in the Annual Report, and details of how the Company complies with such principles are set out below. Further disclosures under the Code are included on the Company's website.

No key governance matters have arisen since the publication of the last Annual Report.

Taking account of the Company's size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. However, the Code assumes a bigger and more complex board than that of the Company, and full compliance is not possible for that reason. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

Principle 1: Establish a purpose, strategy and business model which promote long-term value for shareholders

The Company's vision and mission statements can be found in the Chairman's statement forming part of this Report. Strategic objectives to deliver on the Company's mission are set out under the Strategic Report, together with the challenges and risks associated with execution of these strategic objectives.

Principle 2: Promote a corporate culture that is based on ethical values and behaviours

The Company maintains a strict anti-corruption and whistle blowing policy and the Directors are not aware of any event in any jurisdiction in which it operates that might be considered to be a breach of this policy.

The Company intends to formally adopt a Code of Conduct, Health and Safety, Environmental, and Human Rights policies as and when the Group expands its operations and headcount.

The Board seeks to embody and promote a corporate culture that is based on sound ethical values as it believes the tone and culture set by the Board impacts all aspects of the Company, including the way it conducts business with its key stakeholders – including suppliers, customers, governmental and regulatory bodies and shareholders.

Principle 3: Seek to understand and meet shareholder needs and expectations

The Company has in the past organised question and answer sessions and other events for shareholders and intends to continue to do so. It obtains feedback from shareholders through general meetings and direct inquiries via the email address info@kerasplc.com. The Executive Chairman maintains regular contacts with major shareholders.

All shareholders are encouraged to attend the Company's Annual General Meeting, where the directors make themselves available to answer questions.

Direct communication with shareholders is conducted primarily through the timely release of regulatory news via RNS and on its website www.kerasplc.com.

CORPORATE GOVERNANCE STATEMENT

Principle 4: Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success

The Company is in continuous communication with regulatory and government bodies to ensure that it conducts its operations in accordance with local requirements. The Group takes its responsibilities in these areas very seriously and monitors its performance across these areas on a regular basis. The Group's products are subject to both federal and state certification in the USA, and the Group consults regularly with the regulatory authorities in Utah and in states where its products are marketed.

The Group has previously established supplies of drinking water for villages in the area of its former exploration project in Togo, and intends to provide similar benefits for local communities in its Namibian exploration area.

Principle 5: Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

In addition to its other roles and responsibilities, the Audit Committee is responsible to the Board for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Company.

The Directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical due to the size of the Group and the close day to day control exercised by the senior management. The non-executive Directors maintain oversight of the financial reporting systems.

The main risks facing the Company are dealt with in the Strategic Report. The Board seeks to mitigate such risks so far as it is able, as explained in the Strategic Report, but certain important risks cannot be controlled. The Executive Chairman is primarily responsible to the Board for risk management.

In the USA, the products of the Company are traded at prices reflecting supply and demand rather than the cost of production and it is not possible to hedge such prices.

Principle 6: Establish and maintain the board as a well-functioning, balanced team led by the chair

Membership of the Board at 31 December 2025 is as follows:

Name	Role	Appointed
Russell Lamming	Executive Chairman	23 August 2010
Brian Moritz	Non-Executive Director	23 August 2010
Claire Parry	Non-Executive Director	1 September 2022

Of the Non-Executive Directors, Claire Parry is considered to be independent.

Historically shareholders have not voted annually on the (re-)election of all the Directors to the Board. However, it is the intention that, in accordance with the 2023 QCA Code, all Directors will submit themselves for re-election annually at the Company's Annual General Meeting as soon as the size of company's administrative function permits.

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As set out above, the Board will substantially refresh its membership during 2026 and any new Director will resign at the next Annual General Meeting and be proposed for re-election by shareholders.

The Board is well balanced in its skill sets. The Executive Chairman, Russell Lamming, is a qualified geologist who has previously been resident in South Africa, although all the Directors are currently resident in the UK.

Non-Executive Directors are committed to devote 3 days per month to the Company. The Executive Chairman was appointed to an executive role on an interim basis on 17 January 2025 and devoted a significant amount of his time to the Company until 30 September 2025, when his time commitment reduced to 50%.

Where possible Directors are physically present at board meetings. However, due to the divergence of locations, Directors may also be present through video conferencing.

During the year ended 31 December 2025, in addition to several informal Board discussions attended by all the Directors, there were 10 Board meetings of the Company of which all were either attended by all Directors, or discussed in advance with Directors unable to be present, and who had approved major decisions to be minuted. There was one General Meeting in addition to the Annual General Meeting.

Principle 7: Ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities

The CVs of the Directors are set out below. Brian Moritz also acts as company secretary.

Russell Lamming – Executive Chairman

Russell Lamming is a qualified geologist with an honours degree in geology from the University of the Witwatersrand and a Bachelor of Commerce in Economics from the University of Natal. Russell has a broad range of experience including directorship of a South African mining consultancy and precious metals analyst for a leading international broker and was the CEO of AIM listed Chromex Mining and Goldplat Plc. He has strong relationships in London and internationally and has raised considerable funds for resource companies over the years.

Brian Moritz – Non-Executive Director

Brian is a Chartered Accountant and former Senior Partner of Grant Thornton UK LLP, London; he formed Grant Thornton's Capital Markets Team which floated over 100 companies on AIM under his chairmanship. In December 2004, he retired from Grant Thornton UK LLP to concentrate on bringing new companies to the market. He specialises in natural resources companies, primarily in Africa, and was formerly chairman of Metal Bulletin plc, African Platinum plc and Chromex Mining plc as well as currently being chairman or director of several junior mining and exploration companies.

Claire Parry – Non-Executive Director

Claire is a Chartered Accountant until recently a partner in the Canterbury office of Azets, a top 10 UK accounting firm. With over 20 years in the industry, she specialises in the application of IFRS and accounting and financial control generally for smaller quoted companies, primarily in the natural resources sector.

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Notwithstanding the small size of the Board, the Company believes that the current balance of skills on the Board, as a whole, reflects the broad range of commercial and professional skills that the Company requires. The Executive Chairman, Russell Lamming, in addition to his experience in evaluating, constructing and operating mines, is experienced in general management, including identifying and negotiating new business opportunities

Among the Non-executives Brian Moritz is a Chartered Accountant with senior experience. In addition to his financial skills he has former experience as a Registered Nominated Adviser. Claire Parry is also a Chartered Accountant, and a former Office Managing Partner for a top ten UK accounting firm.

Principle 7: Maintain appropriate governance Structures

The corporate governance structures which the Company is able to operate are limited by the size of the Board, which is itself dictated by the current size and geographical spread of the Company's operations, with Directors resident in the UK. With this limitation, the Board is dedicated to upholding the highest possible standards of governance and probity.

The Executive Chairman, Russell Lamming:

- leads the Board and is primarily responsible for the effective working of the Board;
- in consultation with the Board ensures good corporate governance and sets clear expectations with regards to Company culture, values and behaviour;
- sets the Board's agenda and ensures that all Directors are encouraged to participate fully in the activities and decision-making process of the Board.
- is primarily responsible for developing the Company's strategy in consultation with the Board, for its implementation and for the operational management of the business;
- is primarily responsible for new projects and expansion;
- is responsible for attracting finance and equity for the Company;
- implements the decisions of the Board;
- monitors, reviews and manages key risks;
- leads the Company's external and investor communications.

In the absence of a dedicated Finance Director, the non-Executive Directors take responsibility for the preparation of the annual financial statements as well as the interim statement, and deal with all matters relating to the independent audit. Both of the Non-executive Directors have wide experience in financial reporting

The Remuneration Committee is currently chaired by Brian Moritz and comprises Brian Moritz and Claire Parry. The Remuneration Committee is responsible for establishing a formal and transparent procedure for developing policy on executive remuneration and to set the remuneration packages of executive Directors. The Committee's policy is to provide a remuneration package which will attract and retain Directors and management with the ability and experience required to manage the Company and to provide superior long-term performance. The remuneration package of Non-Executive Directors is the responsibility of the whole Board.

The Audit Committee is currently chaired by Brian Moritz and comprises Brian Moritz, and Claire Parry. It normally meets twice per annum to inter alia, consider the interim and final results. In the latter case the auditors are present and the meeting considers and takes action on any matters raised by the auditors arising from their audit. The Audit Committee also makes an

CORPORATE GOVERNANCE STATEMENT

assessment of the effectiveness and efficiency of the external audit through its interactions with the auditor at Committee meetings and throughout the year.

Matters reserved for the Board include:

- Vision and strategy
- Production and trading results
- Financial statements and reporting
- Financing strategy, including debt and other external financing sources
- Budgets, acquisitions and expansion projects, divestments and capital expenditure and business plans
- Corporate governance and compliance
- Risk management and internal controls
- Appointments and succession plans
- Directors' remuneration

Principle 8: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Group is in the process of evolution and at this stage in the Company's development it is not deemed necessary to adopt formal procedures for evaluation of the Board or of the individual Directors. There is frequent informal communication between members of the Board and peer appraisal takes place on an ongoing basis in the normal course of events. However, the Board will keep this under review and may consider formalised independent evaluation reviews at a later stage in the Company's development.

Given the size of the Company, the whole Board is involved in the identification and appointment of new Directors and as a result, a Nominations Committee is not considered necessary at this stage. The importance of refreshing membership of the Board is recognised and it is intended to be developed during 2026. In 2025 Graham Stacey resigned as CEO and Russell Lamming extended his role to act as Executive Chairman. It is intended that the roles will be separated during 2026, subject to the development of the Group. Claire Parry is the most recently appointed director, having been appointed in September 2022. It is envisaged that the Board will be strengthened in due course as and when new projects are operated by the Company.

Principle 9: Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture

The Company operates in a highly specialised and competitive sector where attracting and retaining experienced executives with appropriate technical operational and capital markets expertise is critical to the delivery of the Company's strategy and the creation of long-term shareholder value.

The Company maintains a lean corporate structure and relies significantly on the experience and capability of a small number of Board members. The remuneration structure is therefore designed to promote sustainable performance and shareholder alignment while remaining appropriate for the Company's size and stage of development.

The Group has in place a "Management Share Option Scheme" for Executive Directors and senior management to provide incentives based on the success and growth of the business and consults third party benchmarks for remuneration. However, at present all previous awards under this scheme have either lapsed or been cancelled. The awards are approved by the Remuneration Committee and decisions are announced to the market by RNS. While these awards are not put to an advisory shareholder vote, shareholder authorisations are obtained

CORPORATE GOVERNANCE STATEMENT

for the total award and discussed with the Company's nominated adviser. Similarly, remuneration packages are recommended and benchmarked by the Remuneration Committee and reviewed by the Company's nominated adviser. The Directors have adopted a policy of deferring payment of varying proportions of sums earned by Executive Directors until the Company's liquidity position improves and of capitalising such amounts if feasible.

Taking into account the Company's market capitalisation, its experienced, long-established and lean executive management structure, in line with a number of other AIM quoted companies, the Board will not be putting a remuneration policy resolution to shareholders at this year's AGM. This approach will be reviewed annually going forward by the Board prior to each AGM.

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders

The Board is committed to maintaining effective communication and having constructive dialogue with its shareholders. The Company is desirous of obtaining an institutional shareholder base, and institutional shareholders and analysts will have the opportunity to discuss issues and provide feedback at meetings with the Company.

The Investors section of the Company's website provides all required regulatory information as well as additional information shareholders may find helpful including: information on Board members, advisors and significant shareholdings, a historical list of the Company's Announcements, its corporate governance information, the Company's publications including historic annual reports and notices of annual general meetings, together with share price information. The Company's policy is not to publish an Audit Committee report save in circumstances where there are significant deficiencies in internal control requiring remediation. To date, no such circumstances have arisen. The Company also does not publish a Remuneration Committee report given the current mechanisms of disclosing awards and the Company's stated practice of deferring Director's remuneration until the financial situation of the Company has improved. The Company intends report on its remuneration policies and practices in more detail once the Company's financial position has improved.

The results of shareholder meetings are publicly announced through the regulatory system and displayed on the Company's website with suitable explanations of any actions undertaken as a result of any significant votes against resolutions.



Russell Lamming

Chairman

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the Group for the year ended 31 December 2025.

The Group's projects are set out in the Strategic Report.

Review of business and financial performance

Further details on the financial position and development of the Group are set out in the Chairman's Statement, the Strategic Report and the annexed financial statements.

Strategic Report

In accordance with Companies Act, s414C(11), the Company has chosen to set out in the Company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, s7, to be contained in the directors' report. It has done so in respect of the review and analysis of the business during the current year.

Results

The Group reports a loss for the year of £3,331,000 (2024 - loss £753,000). This loss is stated after impairment of intangible fixed assets of £2,800,000 (2024 - £nil)

Major events after the balance sheet date

Subsequent events are detailed in note 29.

Dividends

The Directors do not recommend payment of a dividend for the year ended 31 December 2025 (2024 - £nil).

Political donations

There were no political donations during the year (2024 - £nil).

Energy and carbon report

The Group is classified as "a low energy user" under these regulations therefore is exempt from reporting on its emissions, energy consumption or energy efficiency activities.

Going concern

The Directors continue to adopt the going concern basis in preparing the financial statements as further explained in Note 2 to the financial statements.

Directors' indemnities

The Group maintains Directors and Officers liability insurance providing appropriate cover for any legal action brought against its Directors and/or officers.

Audit Committee

The Audit Committee, which currently comprises B Moritz and C Parry, and is chaired by B Moritz, is responsible for ensuring the financial performance, position and prospects of the Group are properly monitored and reported on and for meeting the auditors and reviewing their reports relating to accounts and internal controls. Meetings of the Audit Committee are held at least twice a year, at appropriate times in the reporting and audit cycle. The Audit Committee reports to the Board on its proceedings after each meeting on all matters for which it has responsibility. The members of the Audit Committee are subject to annual re-election by the Board.

DIRECTORS' REPORT**Remuneration Committee**

The Remuneration Committee, which comprises B Moritz and C Parry and which is chaired by B Moritz, reviews the performance of the executive directors and sets their remuneration, determines the payment of bonuses to executive directors and considers the future allocation of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time to Directors and employees. Meetings of the Remuneration Committee are held on an ad hoc basis as required. The Remuneration Committee reports to the Board on its proceedings on all matters for which it has responsibility. The members of the Remuneration Committee are subject to annual re-election by the Board.

Directors

The following Directors held office throughout the year:

B Moritz
R Lamming
C Parry
G Stacey (resigned 16 January 2025)

Directors' interests

The beneficial interests of the Directors holding office on 31 December 2025 in the issued share capital of the Company, including spouses of Directors, were as follows:

	2025		2024	
	Number of Ordinary Shares	Percentage of issued ordinary share capital	Number of Ordinary Shares	Percentage of issued ordinary share capital
R Lamming	10,714,395	6.83%	4,611,845	4.83%
B Moritz	3,149,204	2.01%	2,125,821	2.23%
C Parry	-	-	-	-

There have been no changes to these holdings since 31 December 2025.

Directors' remuneration and service contracts

Details of remuneration payable to Directors as disclosed in note 11 to these financial statements:

	Remuneration £'000	Share-based payments £'000	2025 Total £'000	2024 Total £'000
B Moritz	36	-	36	36
C Parry	24	-	24	24
R Lamming	204	-	204	48
G Stacey	9	-	9	153
	<u>273</u>	<u>-</u>	<u>273</u>	<u>261</u>

The remuneration of R Lamming comprises £117,000 paid in cash and £87,000 settled by issues of Ordinary Shares

DIRECTORS' REPORT

Statement of Directors' responsibilities

The Directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards ("UK-adopted IAS") in conformity with the requirements of the Companies Act 2006 and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

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 Parent Company and of the profit or loss of the Group and Parent Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the consolidated financial statements comply with UK-adopted IAS and the parent company financial statements are prepared in accordance with UK GAAP/FRS 101 in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

The Company is compliant with AIM Rule 26 regarding the Company's website.

Statement of disclosure to auditor

Each Director at the date of approval of this report confirms that;

So far as they are aware,

- there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution proposing the re-appointment of MAH, Chartered Accountants, as auditor of the Company will be proposed at the Annual General Meeting.

By order of the Board



Russell Lamming

Director

12 September 2026

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KERAS RESOURCES PLC**

Opinion

We have audited the financial statements of Keras Resources Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the Consolidated Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is United Kingdom Accounting Standards, including FRS 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice) and as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and as applied in accordance with the provisions of the Companies Act 2006; and
- the 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 and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

Conclusions relating to going concern

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. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included reviewing cashflow forecasts covering a period of 12 months from the date of approval of these financial statements, considering the levels of discretionary and non-discretionary expenditure forecasted, challenging and conducting sensitivity analysis using the key inputs and assumptions underpinning said forecasts, ascertaining the group and parent company's current cash position and reviewing the group and parent company's performance since the period end.

KERAS RESOURCES PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KERAS RESOURCES PLC

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Our application of materiality

For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed, or influenced. We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Materiality for the group financial statements as a whole was set as £64,000. This was calculated based upon 2% of gross assets due to the group's significant capitalised exploration costs being key balances of interest within the financial statements and the fact that though generating revenues, the group is not yet profit generating.

Materiality for the parent company financial statements as a whole was set as £34,000.

We also agreed to report to the audit committee any other audit misstatements below the triviality thresholds established above which we believe warranted reporting on qualitative grounds.

Our approach to the audit

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing, and extent of our audit procedures.

In designing our audit, we considered areas involving significant accounting estimates and judgements by the directors as well as future events that are inherently uncertain. These included the recoverable value of the group's capitalise exploration expenditure, the recoverable value of the parent company's investment in its subsidiary and the amounts due to the parent company by its subsidiaries. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We performed full scope audits of the financial information of the components within the Group which were individually financially significant and material. We also performed specified audit procedures over certain account balances and transaction classes that we regarded as material to the Group, as well as analytical procedures, for components which were not significant and not material. The audit work and specified audit procedures covered the whole of the Group.

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

KERAS RESOURCES PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KERAS RESOURCES PLC

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.

Key Audit Matter	How our scope addressed this matter
Going Concern	
The group made a loss for the year and it had low cash reserves There is a risk that the group may have uncertainty over going concern.	We obtained and reviewed Management's latest group and parent company cashflow forecasts covering the going concern period; challenging the key assumptions, reviewing the mathematical accuracy of the forecast and conducting sensitivity analysis. We ascertained the latest group cash position and performance post period end and we also reviewed the post year end loan agreements. Based on our procedures we concluded that the going concern basis of preparation is appropriate and that there is no materiality uncertainty relating to going concern.
Carrying value of intangible assets	
As at 31 December 2025 the Group has intangible assets with a carrying value of £517,000 which represents capitalised exploration and evaluation costs. Given the value of the balance and the significant estimates and judgements required to be made by management when conducting their impairment assessments, there is a risk that the exploration costs capitalised may be materially misstated as they are impaired and/or costs capitalised in the year have been inappropriately capitalised in accordance with the eligibility requirements of IFRS 6.	Our work in this area included but was not limited to: • Confirming that the group held good title to the underlying licenses and assessing whether any indicators of impairment exists. • Obtaining Management's impairment assessments in relation to intangible assets and supporting discounted cashflow forecasts. Reviewing their assessment and their supporting value in use calculates for reasonableness; considering whether any of the IAS 36 impairment indicators have been met and considering if the recoverable value exceeds the carrying value. We consider Management's assessment of impairment is reasonable in concluding that £2.8m impairment is required to be recognised at the year end.

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 contained within the annual report. Our opinion on the group and parent company 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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KERAS RESOURCES PLC**

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.

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 period 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 the knowledge and understanding of the group and the parent company and their 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 Statement of Directors' Responsibilities, the directors are responsible for the preparation of the group and parent company 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 group and parent company financial statements, the directors are responsible for assessing the group and the 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 the parent company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KERAS RESOURCES PLC**

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:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and our cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from UK Company Law, rules applicable to issuers on AIM, UK and US employment law and local mining, environmental and health and safety laws in the US.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
 - Discussions with management regarding compliance with laws and regulations by the parent company and the components;
 - Review of board minutes; and
 - Review of regulatory news announcements made throughout and post period-end.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, we identified the potential for management bias was identified in relation to the impairment of capitalised exploration expenditure I and we addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimates and judgements.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; discussing with management as to whether there were any instances or suspicions of fraud since 1 January 2025 within the parent company or components and evaluating the business

KERAS RESOURCES PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KERAS RESOURCES PLC

rationale of any significant transactions that are unusual or outside the normal course of business.

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. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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's 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.

Mohammed Haque (Senior Statutory Auditor)

For and on behalf of
MAH, Chartered Accountants (Statutory Auditor)
2nd Floor, 154 Bishopsgate,
London, EC2M 4LN

12 September 2026

KERAS RESOURCES PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £'000	2024 £'000
Revenue	7	1,442	1,119
Cost of sales		(446)	(825)
Gross profit		996	294
Administrative expenses		(1,097)	(832)
Share of losses of associated company		(161)	(132)
(Loss)/profit from operating activities		(262)	(670)
Finance costs	12	(308)	(208)
Rent income		90	125
Net finance costs		(218)	(83)
Impairment of intangible fixed assets		(2,800)	-
(Loss)/profit before taxation		(3,280)	(753)
Tax	13	-	-
(Loss)/profit for the year		(3,280)	(753)
Other comprehensive income – items that may be subsequently reclassified to profit or loss			
Exchange translation on foreign operations		(51)	16
Total comprehensive (loss)/profit for the year		(3,331)	(737)
(Loss)/profit attributable to:			
Owners of the Company		(3,280)	(753)
Non-controlling interests		-	-
(Loss)/profit for the year		(3,280)	(753)
Total comprehensive loss attributable to:			
Owners of the Company		(3,331)	(737)
Non-controlling interests		-	-
Total comprehensive loss for the year		(3,331)	(737)
Earnings per share			
Basic and diluted loss per share (pence)	23	(2.732)	(0.888)

The notes on pages 32 to 62 are an integral part of these consolidated financial statements.

KERAS RESOURCES PLC

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

		2025 £'000	2024 £'000
	Notes		
Assets			
Property, plant and equipment	14	1,461	1,422
Right of use asset	15	-	-
Intangible assets	16	517	3,574
Investment in associated company	17	-	57
Non-current assets		<u>1,978</u>	<u>5,053</u>
Inventory	19	482	532
Trade and other receivables	20	591	319
Cash and cash equivalents		<u>153</u>	<u>249</u>
Current assets		<u>1,226</u>	<u>1,100</u>
Total assets		<u><u>3,204</u></u>	<u><u>6,153</u></u>
Equity			
Share capital	22	1,569	954
Share premium	22	6,262	6,073
Share option reserve	22, 24	-	116
Exchange reserve		(141)	(90)
Convertible loan note reserve	22	116	116
Retained (deficit)/earnings		<u>(7,382)</u>	<u>(4,218)</u>
Total equity		<u>424</u>	<u>2,951</u>
Liabilities			
Trade and other payables	25	<u>757</u>	<u>1,205</u>
Current liabilities		<u>757</u>	<u>1,205</u>
Loans and other borrowings	26	2,023	1,997
Other long term liabilities		-	-
Non-current liabilities		<u>2,023</u>	<u>1,997</u>
Total liabilities		<u>2,780</u>	<u>3,202</u>
Total equity and liabilities		<u><u>3,204</u></u>	<u><u>6,153</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 12 September 2026. They were signed on its behalf by:



Russell Lamming

Director

The notes on pages 32 to 62 are an integral part of these consolidated financial statements.

KERAS RESOURCES PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2025

	Notes	Share capital	Share premium	Share option reserve £'000	Exchange reserve	Convertible loan notes reserve	Retained earnings /(deficit)	Total
		£'000	£'000		£'000	£'000	£'000	£'000
Balance at 1 January 2025		954	6,073	116	(90)	116	(4,218)	2,951
Loss for the year		-	-	-	-	-	(3,280)	(3,280)
Other comprehensive income		-	-	-	(51)	-	-	(51)
Total comprehensive (loss)/profit for the year		-	-	-	(51)	-	(3,280)	(3,331)
Issue of ordinary shares	22	615	249	-	-	-	-	864
Cost of share issues		-	(60)	-	-	-	-	(60)
Share options lapsed	24	-	-	(116)	-	-	116	-
Transactions with owners, recognised directly in equity		615	189	(116)	-	-	116	804
Balance at 31 December 2025		<u>1,569</u>	<u>6,262</u>	<u>-</u>	<u>(141)</u>	<u>116</u>	<u>(7,382)</u>	<u>424</u>

The notes on pages 32 to 62 are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	Share capital	Share premium	Share option reserve £'000	Exchange reserve	Convertible loan notes reserve	Retained earnings /(deficit)	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2024		801	5,849	104	(106)	-	(3,465)	3,183
Loss for the year		-	-	-	-	-	(753)	(753)
Other comprehensive income		-	-	-	16	-	-	16
Total comprehensive (loss)/profit for the year		-	-	-	16	-	(753)	(737)
Issue of ordinary shares	22	153	224	-	-	-	-	377
Issue of convertible loan notes		-	-	-	-	116	-	116
Share option expense	24	-	-	12	-	-	-	12
Transactions with owners, recognised directly in equity		153	224	12	-	116	-	505
Balance at 31 December 2024		<u>954</u>	<u>6,073</u>	<u>116</u>	<u>(90)</u>	<u>116</u>	<u>(4,218)</u>	<u>2,951</u>

The notes on pages 32 to 62 are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

		2025 £'000	2024 £'000
	Notes		
Cash flows from operating activities			
Loss from operating activities		(262)	(753)
Adjustments for:			
Depreciation and amortisation	14,15,16	129	86
Share of losses of associated company		161	132
Equity-settled share-based payments	24	-	-
		<u>28</u>	<u>(535)</u>
Changes in:			
- inventory		49	90
- trade and other receivables		(272)	(147)
- trade and other payables		<u>(72)</u>	<u>414</u>
Cash generated by/(used in) operating activities		<u>(267)</u>	<u>(178)</u>
Finance costs		(308)	(208)
Finance income		90	125
Net cash generated by/(used in) operating activities		<u>(485)</u>	<u>(261)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(232)	(1,133)
Acquisition of intangible fixed assets		-	(146)
Investment in associated company		(104)	(191)
Proceeds on disposal of property, plant and equipment		39	-
Settlement of deferred consideration for purchase of minority interest in subsidiary	17	(583)	(639)
Net cash used in investing activities		<u>(880)</u>	<u>(2,109)</u>
Cash flows from financing activities			
Net proceeds from issue of share capital		205	377
Issue of promissory and convertible loan notes		969	2,081
Repayment of loans		-	-
Net cash flows from financing activities		<u>1,174</u>	<u>2,458</u>
Net (decrease)/increase in cash and cash equivalents		(191)	88
Cash and cash equivalents at beginning of year		249	185
Foreign exchange differences etc		95	(24)
Cash and cash equivalents at 31 December		<u>153</u>	<u>249</u>

The notes on pages 32 to 62 are an integral part of these consolidated financial statements.

KERAS RESOURCES PLC

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

		2025 £'000	2024 £'000
	Notes		
Assets			
Investments	17	-	2,761
Non-current assets		-	2,761
Loans	18	1,452	2,814
Trade and other receivables	20	213	261
Cash and cash equivalents		36	67
Current assets		1,701	3,142
Total assets		1,701	5,903
Equity			
Share capital	22	1,569	954
Share premium	22	6,262	6,073
Other reserves	22	-	116
Convertible loan reserve	22	116	116
Retained earnings		(7,408)	(3,012)
Total equity attributable to owners of the Company		539	4,247
Liabilities			
Trade and other payables	25	304	843
Current liabilities		304	843
Trade and other payables	25	-	-
Loans and other borrowings	26	858	813
Non-current liabilities		858	813
Total liabilities		1,162	1,656
Total equity and liabilities		1,701	5,903

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company profit and loss account. The Parent Company loss for the year was £4,512,000 (2024: loss of £459,000).

The financial statements of Keras Resources PLC, company number 07353748, were approved by the Board of Directors and authorised for issue on 12 September 2026. They were signed on its behalf by:



Russell Lamming

Director

KERAS RESOURCES PLC

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

The notes on pages 32 to 62 are an integral part of these consolidated financial statements.

KERAS RESOURCES PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital	Share premium	Share option reserve	Convertible loan notes reserve	Retained deficit	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2024	801	5,849	104	-	(2,553)	4,201
Loss for the year	-	-	-	-	(459)	(459)
Total comprehensive loss for the year	-	-	-	-	(459)	(459)
Issue of ordinary shares	153	224			-	377
Share option expense	-	-	12	-	-	12
Issue of convertible loan notes				116		116
Transactions with owners, recognised directly in equity	153	224	12	116	-	505
Balance at 31 December 2024	954	6,073	116	116	(3,012)	4,247
Balance at 1 January 2025	954	6,073	116	116	(3,012)	4,247
Loss for the year	-	-	-	-	(4,512)	(4,512)
Total comprehensive loss for the year	-	-	-	-	(4,512)	(4,512)
Issue of ordinary shares	615	249	-	-	-	864
Cost of share issues	-	(60)	-	-	-	(60)
Share option expense	-	-	(116)	-	116	-
Transactions with owners, recognised directly in equity	615	189	(116)	-	116	804
Balance at 31 December 2025	1,569	6,262	-	116	(7,408)	539

The notes on pages 32 to 62 are an integral part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

1. Reporting entity

Keras Resources PLC is a company domiciled in England and Wales. The address of the Company's registered office is Coveham House, Downside Bridge Road, Cobham KT11 3EP. The Group currently operates as a miner of and explorer for mineral resources.

The Group consists of Keras Resources Plc and all of its subsidiaries.

2. Going concern

The Directors have adopted the going concern basis in preparing the Group and Company financial statements. The Group's and Company's business activities together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement and Strategic Report. In addition, note 27 to the Financial Statements includes the Group's policies and processes for managing its financial risk management objectives.

Note 29 to the Financial Statements sets out transactions agreed since 31 December 2025 which, in aggregate, are forecast to be cash flow positive for the Company and the revised Group.

In addition, the agreement for the provision of advisory and brokerage services in the Republic of Togo is now generating positive cash flow for Keras.

On this basis, the Directors have a reasonable expectation that the Group and Company will have adequate resources to continue in operational existence for the foreseeable future. As such, the Directors continue to adopt the going concern basis of accounting.

3. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the Companies Act 2006("UK-adopted IAS"), and the Companies Act 2006 as applicable to entities reporting in accordance with IFRS.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis unless otherwise stated.

(c) Functional and presentation currency

These consolidated financial statements are presented in Pounds Sterling ('GBP' or '£'), which is the Group's functional currency and is considered by the Directors to be the most appropriate presentation currency to assist the users of the financial statements. All financial information presented in GBP has been rounded to the nearest thousand, except when otherwise indicated.

(d) Basis of parent company preparation

The parent company meets the definition of a qualifying entity under FRS 101 Reduced Disclosure Framework.

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- (a) the requirements of IFRS 7 'Financial Instruments: Disclosure';
- (b) the requirements within IAS 1 relating to the presentation of certain comparative information;
- (c) the requirements of IAS 7 'Statement of Cash Flows' to present a statement of cash flows;

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

(d) Basis of parent company preparation (continued)

(d) paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but it not yet effective); and

(e) the requirements of IAS 24 'Related Party Disclosures' to disclose related party transactions and balances between two or more members of a Group.

(e) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 if the revision affects only that period, or in the period of revision and future periods of the revision if it affects both current and future periods.

Critical estimates and assumptions that have the most significant effect on the amounts recognised in the consolidated financial statements and/or have a significant risk of resulting in a material adjustment within the next financial year are as follows:

Deferred consideration and the loan payable to previous minority shareholder in subsidiary company

The deferred consideration due in respect of the acquisition of the remaining 49% of Falcon Isle Resources LLC was discounted at a rate of 12% being the rate at which interest will accrue in the event of a default. This discount has been fully unwound at 31 December 2024, and the final amount has been paid in 2025.

Carrying value of intangible assets

Intangible assets consist of prospecting and exploration rights and development. Those acquired with subsidiaries are recognised at fair value at the date of acquisition. Other rights acquired and evaluation expenditure are recognised at cost. The directors assess the recoverable value at each year end and review for any signs of impairment.

Impairment of intangible assets

Intangible assets have been assessed during the current year for any impairment, and they were impaired by £2.8m. this takes account of the subsequent agreement to dispose of FIR as described in Note 29. In calculating the impairment no account was taken of the potential royalties receivable from FIR in the future.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

e. Use of estimation and judgements (continued)

Forecast operating profits

For the CGU, the Group prepared cash flow projections derived from the most recent forecast for the year ending 31 December 2026. Forecast revenue, fixed and variable costs are based on recent performance and expectations of future changes in the market, operating model and cost base, and take into account the transactions set out in note 29.

Discount rates

A post-tax real discount rate used to assess the forecast free cashflows from the CGU was derived from its weighted average cost of capital, taking into account specific factors relating to the country it operates in. These rates are reviewed annually and adjusted for the risks specific to the business being assessed and the market in which the CGU operates.

Sensitivity analysis

A sensitivity analysis on the key model parameters has been performed and management has concluded that no reasonably foreseeable change in the key assumptions would result in an impairment of the intangible assets of the Group's CGU.

Assets held for sale

On classification as held-for-sale, assets and disposal groups are measured at the lower of the carrying amount and fair value less costs to sell, with any adjustments taken to profit or loss (or other comprehensive income in the case of a revalued asset).

Intercompany receivables (Company only)

All loans to subsidiaries are currently unsecured and interest free and repayable on demand.

Fair value of share options and warrants

The determination of the fair values of the schemes issued were made with reference to the Black-Scholes model. All share options have now lapsed.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities.

(a) Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. On disposal of subsidiaries, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This might mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

(i) Foreign operations

The assets and liabilities of foreign operations, including goodwill and the fair value adjustments arising on acquisition, are translated to GBP at exchange rates at the reporting date. The income and expenses of foreign operations are translated to GBP at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve except to the extent that the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint 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. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Financial instruments

(i) Financial assets

The Group's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and financial assets at fair value through other comprehensive income in the consolidated statement of financial position.

Trade receivables and intra group balances are initially recognised at fair value. New impairment requirements use an expected credit loss model to recognise an allowance. For receivables a simplified approach to measure expected credit losses during a lifetime expected loss allowance is available and has been adopted by the Group. During this process the probability of non-payment of the receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being reported within the consolidated statement of comprehensive income. On confirmation that the trade and intra group receivable will not be collectable, the gross carrying value of the asset is written off against the provision.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise trade and other payables.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in the statement of comprehensive income over the estimated useful lives of each component.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives of significant items of property, plant and equipment are as follows:

• Freehold property	50 years
• plant and equipment	20 years
• office equipment	2 years
• computer equipment	2 years
• motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

(e) Intangible assets

(i) Prospecting and exploration rights and development

Rights acquired with subsidiaries are recognised at fair value at the date of acquisition. Other rights acquired and evaluation and development expenditure are recognised at cost.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) Amortisation

Intangible assets are amortised in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives are as follows:

- Life of mine based on units of production

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Amortisation is included within administrative expenses in the statement of comprehensive income.

(f) Impairment

Intangible assets have been assessed during the current year for any impairment, and they were impaired by £2.8m. this takes account of the subsequent agreement to dispose of FIR as described in Note 29. In calculating the impairment no account was taken of the potential royalties receivable from FIR in the future.

(i) Non-derivative financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and had an impact on the estimated future cash flows from that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

(i) Non-derivative financial assets (continued)

Financial assets measured at amortised cost

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance against loans and receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Financial assets at fair value through other comprehensive income

Impairment losses on financial assets at FVOCI are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment previously recognised in profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as FVOCI are not reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Indefinite-lived intangible assets are tested annually for impairment or when there is an indication of impairment. An impairment loss is recognised if the carrying amount of an asset or Cash Generating Unit ('CGU') exceeds its recoverable amount.

The recoverable amount of an asset of CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

(g) Employee benefits

Costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Share-based payments

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no adjustment for differences between expected and actual outcomes.

(h) Retirement benefits

A defined contribution plan is a post-employment benefit plan under which the group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

(i) Revenue

Turnover represents the amounts (net of VAT and trade discounts) receivable from the provisions of goods and services to the customer during the period.

The Group applies IFRS 15 'Revenue from contracts with customers'. Under IFRS 15, the Group applies the 5-step method to identify contracts with its customers, determine performance obligations arising under those contracts, set an expected transaction price, allocate that price to the performance obligations, and then recognises revenues as and when those obligations are satisfied.

Revenue from the sale of processed products is recognised when ownership of the product passes to the purchaser in accordance with the relevant sales contract. Ownership passes either upon delivery or once the product is collected where customers arrange delivery.

IFRS 15 Revenue from contracts with customers

IFRS 15 establishes a comprehensive '5 step' framework for determining whether, how much and when revenue is recognised. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

Under IFRS 15, sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion of the usage of the projects, and there are no unfulfilled obligation which could affect the customers' acceptance of the products and when the entity has a present right to payment for the asset. Delivery occurs when the products are delivered to a specific location and erected at that location, the risks have been transferred and the customer has accepted the products in accordance with the sales agreement.

A receivable is recognised when control transfers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

No element of financing is deemed present as the sales are typically made with a credit term of 30 days from invoice date, which is consistent with market practice.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

(j) Finance income and finance costs

Finance income comprises interest income on bank funds. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

In addition, finance income includes rent receivable in respect of the lease of property and equipment in Utah, USA. The lease is with the associated company, Phosul Utah LLC, and the income is recognised on an accruals basis.

Finance costs comprise interest expense on borrowings. Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(k) Taxation

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable

in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

(l) Inventories

Inventories for processed material and ore stockpiles are valued at the lower of cost and net realisable value. Costs allocated to processed material are based on average costs and include all costs of purchase, conversion and other costs in bringing these inventories to their existing location and condition. Costs allocated to ore stockpiles are based on average costs, which include an appropriate share of direct mining costs, direct labour and material costs, mine site overhead, depreciation and amortisation. If carrying value exceeds net realisable amount, a write down is recognised. The write down may be reversed in a subsequent period if the circumstances which caused it no longer exist.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

(m) Segment reporting

Segment results that are reported to management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(n) Equity reserves

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issue of shares are deducted from share premium.

The share option/warrant reserve is used to recognise the fair value of equity-settled share based payment transactions.

The exchange reserve is used to record exchange differences arising from the translation of foreign subsidiaries into the presentation currency.

The financial assets at FVOCI reserve is used to record unrealised accumulated changes in fair value on financial assets.

(o) Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

5. New standards and interpretations

The current standards, amendments and interpretations have been adopted in the year and have not had a material impact on the reported results in the Company's financial statements:

- Amendments to IAS 1: Lack of Exchangeability

The adoption of the following mentioned standards, amendments and interpretations in future years:

Effective date – period beginning on or after

Annual improvements to IFRS Accounting Standards – Volume114	1 January 2026
IFRS 19 Subsidiaries without Public Accountability: Disclosure	1 January 2027
Amendments to IFRS9 and IFRS 7 -Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18 Presentation and disclosure in Financial Statements	1 January 2027
IAS 7 Statement of Cash Flows	1 January 2027

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

The directors have undertaken a project to review the above standards, amendments and interpretations. Management do not expect these standards to materially impact the financial statements.

6. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably. The fair value of items of plant and equipment is based on the market approach and cost approaches using quoted market prices for similar items when available and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

(ii) Intangible assets

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(iii) Trade and other receivables

The fair value of trade and other receivables is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes or when such assets are acquired in a business combination.

(iv) Share-based payments

The fair value of the employee share options is measured using the Black-Scholes formula. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of the Company's historic volatility, particularly over the historic period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(v) Investments – other

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. A discount is applied to the value of any Performance shares to reflect the possibility that the milestones for conversion into ordinary shares may not be met.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**
7. Revenue

Revenue comprises:

Group:

	2025	2024
	£'000	£'000
Sale of phosphate (USA)	1,350	1,119
Advisory and brokerage services (UK)	92	-
	<u>1,442</u>	<u>1,119</u>

8. Operating segments

The Group considers that it operated during the year in a single business area, being that of phosphate mining in Utah, USA. This business area formed the basis of the Group's operating segments, together with its administration function in the United Kingdom. For each segment, the Group's CEO (the chief operating decision maker) reviewed internal management reports on at least a quarterly basis.

Other operations relate to the Group's administrative functions conducted at its head office and by its intermediate holding company together with consolidation adjustments. In 2025 other operations also includes advisory fees received in respect of the Nayega mine in Togo.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment result before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment results are used to measure performance as management believes that such information is the most relevant in evaluating the performance of certain segments relative to other entities that operate within the exploration industry.

Information about reportable segments**31 December 2025**

	Phosphate	Other	Total
	£'000	operations	£'000
		£'000	
External revenue	1,350	92	1,442
Cost of sales	446	-	446
Depreciation, amortisation and impairment	129	2,800	2,929
(Loss)/profit before tax	136	(3,416)	(3,280)
Gross assets including non- current and current assets	1,503	1,701	3,204
Capital expenditure	232	-	232
Liabilities	1,618	1,162	2,780

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

8. Operating segments (continued)

31 December 2024

		Phosphate £'000	Other operations £'000	Total £'000
External revenue		1,119	-	1,119
Cost of Sales		826	-	826
Depreciation, amortisation and impairment		85	-	85
(Loss)/profit before tax		(104)	(649)	(753)
Gross assets including non- current and current assets	-	5,317	836	6,153
Capital expenditure	-	4,996	-	4,996
Liabilities	-	1,748	1,454	3,202

Information about geographical segments

31 December 2025

	US £'000	Other £'000	Total £'000
External revenue	1,350	92	1,442
Cost of sales	446	-	446
Depreciation, amortisation and impairment	129	2,800	2,929
(Loss)/profit before Tax	136	(3,416)	(3,280)
Gross assets including non-current and current assets	1,503	1,701	3,204
Capital expenditure	232	-	232
Liabilities	1,618	1,162	2,780

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

8. Operating segments (continued)

31 December 2024

	US £'000	Other £'000	Total £'000
External revenue	1,119	-	1,119
Cost of sales	826	-	826
Depreciation, amortisation and impairment	85	-	85
(Loss)/profit before tax	(104)	(649)	(753)
Gross assets including non-current and current assets	5,317	836	6,153
Capital expenditure	4,996	-	4,996
Liabilities	1,748	1,454	3,202

9. Expenses

	2025 £'000	2024 £'000
Expenses include:		
Depreciation and amortisation expense	129	85
Auditor's remuneration		
- Audit fee	28	28
Foreign exchange differences	50	(42)

Auditor's remuneration for the year in respect of the Company amounted to £15,000 (2024: £15,000).

10. Personnel expenses

	2025 £'000	2024 £'000
Wages and salaries	303	165
Social security costs	24	11
Pension costs	-	-
Fees	60	153
Equity-settled share-based payments	-	11
	<u>387</u>	<u>340</u>

The average number of employees (including directors) during the year was:

	2025	2024
Directors	3	4
Administrative staff	2	1
	<u>5</u>	<u>5</u>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

11. Directors' emoluments

Year ended 31 December 2025

	Executive directors	Non- executive directors	Total
	£'000	£'000	£'000
Wages and salaries (incl. fees)	213	60	273
	<u>213</u>	<u>60</u>	<u>273</u>

Year ended 31 December 2024

	Executive directors	Non- executive directors	Total
	£'000	£'000	£'000
Wages and salaries (incl. fees)	153	108	261
	<u>153</u>	<u>108</u>	<u>261</u>

These amounts are disclosed by director in the Directors' report.

Emoluments disclosed above include the following amounts payable to the highest paid director:

	2025 £'000	2024 £'000
Emoluments for qualifying services	204	153
	<u>204</u>	<u>153</u>

12. Finance costs

Recognised in loss for year

	2025 £'000	2024 £'000
Discount unwinding on deferred consideration and loan payable to previous minority shareholder	-	133
Interest on convertible and other loans	125	74
Exchange losses	133	
Rent and lease costs	49	
Other	1	1
	<u>308</u>	<u>208</u>

The Discount unwinding disclosed above relates to the deferred consideration explained in note 17.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

13. Taxation

Current tax

	2025 £'000	2024 £'000
Tax recognised in profit or loss		
Current tax		
Current period	-	-
Deferred tax		
Origination and reversal of temporary differences	-	-
Total tax	-	-

Reconciliation of effective tax rate

	2025 £'000	2024 £'000
Loss before tax (continuing operations)	(3,280)	(753)
Tax using the Company's domestic tax rate of 19.0% (2024: 19.0%)	(623)	(143)
Effects of:		
Expenses not deductible for tax purposes	8	1
Overseas (profits)/losses	(12)	20
Equity-settled share-based payments	-	2
Tax losses carried forward not recognised as a deferred tax asset	627	120
	-	-

The UK corporation tax rate was 19.00% until April 2023 when it increased to 25% for groups with taxable profits of over £250,000.

None of the components of other comprehensive income have a tax impact.

Factors that may affect future tax charges

At the year end, the Group had unused tax losses available for offset against suitable future profits of approximately £12,119,000 (2024: £8,818,000). A deferred tax asset has not been recognised in respect of such losses due to uncertainty of future profit streams.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

14. Property, plant and equipment

Group

	Freehold Property	Plant and equipment	Office and computer equipment	Total
	£'000	£'000	£'000	£'000
Cost				
Balance at 1 January 2024	-	375	12	387
Purchases	559	574	-	1,133
Effect of movements in exchange rates	-	11	-	11
Balance at 31 December 2024	559	960	12	1,531
Balance at 1 January 2025	559	960	12	1,531
Purchases	-	232	-	232
Sales	-	(22)	-	(22)
Effect of movements in exchange rates	(38)	(66)	-	(104)
Balance at 31 December 2025	521	1,104	12	1,637
Depreciation and impairment provisions				
Balance at 1 January 2024	-	29	12	41
Depreciation for the year	11	52	-	63
Effect of movements in exchange rates	-	5	-	5
Balance at 31 December 2024	11	86	12	109
Balance at 1 January 2025	11	86	12	109
Sales	-	(4)	-	(4)
Depreciation for the year	11	67	-	78
Effect of movements in exchange rates	(1)	(6)	-	(7)
Balance at 31 December 2025	21	143	12	176
Carrying amounts				
At 31 December 2023	-	346	-	346
At 31 December 2024	548	874	-	1,422
At 31 December 2025	500	961	-	1,461

Depreciation is recognised within administrative expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

14. Property, plant and equipment (continued)

Company

	Computer equipment £'000
Cost	
Balance at 1 January 2024	8
Transfers	-
Balance at 31 December 2024	8
Balance at 1 January 2025	8
Additions	-
Balance at 31 December 2025	8
Depreciation and impairment provisions	
Balance at 1 January 2024	8
Depreciation for the year	-
Balance at 31 December 2024	8
Balance at 1 January 2025	8
Depreciation for the year	-
Balance at 31 December 2025	8
Carrying amounts	
At 31 December 2024	-
At 31 December 2025	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

15. Right of use assets

Group

	Land and buildings £'000
Cost	
Balance at 1 January 2024	342
Disposal	(342)
Balance at 31 December 2024	-
Balance at 1 January 2025	-
Disposal	-
Balance at 31 December 2025	-
Depreciation and impairment provisions	
Balance at 1 January 2024	342
Depreciation for the year	(342)
Effects of movements in exchange rates	-
Balance at 31 December 2024	-
Balance at 1 January 2025	-
Depreciation for the year	-
Effect of movements in exchange rates	-
Balance at 31 December 2025	-
Carrying amounts	
At 31 December 2024	-
At 31 December 2025	-

Depreciation is recognised within administrative expenses.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

16. Intangible assets – Group

	Exploration rights and development £'000
Cost	
Balance at 1 January 2024	3,464
Purchases	146
Effect of movement in exchange rates	47
Balance at 31 December 2024	<u>3,657</u>
Balance at 1 January 2025	3,657
Purchases	-
Disposals	(22)
Effect of movements in exchange rates	(190)
Balance at 31 December 2025	<u>3,445</u>
Amortisation and impairment losses	
Balance at 1 January 2024	60
Amortisation charge	22
Effect of movements in exchange rates	1
Balance at 31 December 2024	<u>83</u>
Balance at 1 January 2025	83
Amortisation charge	51
Impairment	2,800
Effect of movements in exchange rates	(6)
Balance at 31 December 2025	<u>2,928</u>
Carrying amounts	
At 31 December 2023	<u>3,404</u>
At 31 December 2024	<u>3,574</u>
At 31 December 2025	<u>517</u>

The carrying value of the prospecting and exploration rights and development is supported by the estimated resource and current market values. The Group tests intangible assets for impairment annually. As a result, intangible assets have been impaired by £2,800,000 at 31 December 2025.

Amortisation is recognised within administrative expenses.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

17. Investments in subsidiaries and associates

Company – subsidiaries

	2025	2024
	£'000	£'000
Equity investments		
Balance at beginning of year	2,761	2,594
Impairment	(2,761)	
Additions – Increased investment in Falcon Isle Resources LLC	-	167
Balance at 31 December:	-	2,761

	Activity	Country of incorporation	Ownership interest 2025	2024
Directly				
Southern Iron Limited	Investment	Guernsey	100%	100%
Falcon Isle Resources Corp	Mining	USA	100%	100%
Keras US LLC	Holding company	USA	100%	100%
Utah Phosphate	Dormant	England	100%	N/A
Indirectly				
Falcon Isle Holdings LLC	Holding company	USA	100%	100%

Registered offices of subsidiary companies are:

- Southern Iron Limited, 1st Floor, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey
- Falcon Isle Resources Corp, Falcon Isle Holdings LLC and Keras US LLC, 50 West Broadway Suite 300, Salt Lake City, Utah 84101, USA
- Utah Phosphate Limited, 27 Waterden Road, Guildford, GU1 2AZ

The interest in Falcon Isle was acquired for nominal consideration under a binding heads of terms dated 28 July 2020. Under this agreement the Company agreed to provide US\$2.5m in loans to Falcon Isle payable in agreed tranches. Falcon Isle is the 100% owner of the Diamond Creek phosphate mine located in in Utah (USA) which is a fully permitted, high grade direct shipping ore organic phosphate operating mine.

At 30 September 2020 the Company had advanced US\$ 1.9m to Falcon Isle, resulting in an equity interest of 40% and bringing the cost of the investment in the associate to £1,626,000.

On 31 December 2020 the Company advanced the balance of \$0.6m and its equity interest has increased to a controlling interest of 51%.

The initial acquisitions were accounted for under the equity method of accounting but upon achieving control on 31 December 2020, the acquisition method of accounting has been applied.

The investment in associate was revalued prior to acquisition to fair value based on the price paid to acquire the additional 11% shareholding. Under IFRS 3, on acquisition of the controlling stake, the Group remeasured its original 40% investment in Falcon Isle. This led to a loss on change of ownership of £363,000 being recognised in the Consolidated Statement of Comprehensive Income.

On acquisition the non-controlling interest, valued based upon net assets at acquisition, was valued at £645,000. No goodwill has arisen from the acquisition.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

17. Investments in subsidiaries and associates (continued)

On 29 March 2022, the Company agreed to acquire the outstanding 49% equity interest in Falcon Isle for consideration of \$1,383,473 and loans totalling \$1,816,527 made by the vendor to Falcon Isle, for total consideration of \$3.2 million, payable in four annual tranches of \$800,000 commencing on 1 July 2022 and as such the deferred consideration and loan due to the vendor has been discounted at 12% with the discount being applied against the investment in full. This discount had been fully unwound at 31 December 2024. The non-controlling interest was eliminated against the consideration with the remaining balance of £199,311 transferred to retained earnings.

The cashflow impact of this acquisition for years ended 31 December 2024 and 2025, are the third and fourth instalments of \$800,000 each. The fourth and final instalment of \$800,000 was paid on 1 July 2025.

Group - Associated Company

50% interest in Phosul Utah LLC, incorporated in Utah, USA.

	2025	2024
	£'000	£'000
50% equity interest at cost	296	191
Share of post-acquisition losses	(296)	(132)
Exchange translation	-	(2)
	<u>-</u>	<u>57</u>

18. Loans

Company - current

	2025	2024
	£'000	£'000
Balance at beginning of year	2,814	2,781
Net funds advanced to (repaid by) subsidiaries	(223)	33
Impairment of loans	(1,139)	-
Balance at 31 December	<u>1,452</u>	<u>2,814</u>

All loans to subsidiaries are currently unsecured and interest free and repayable on demand.

19. Inventories

	2025	2024
	£'000	£'000
Phosphate, including processed material held for sale	482	532
	<u>482</u>	<u>532</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

20. Trade and other receivables

Group

	2025	2024
	£'000	£'000
Trade receivables	512	237
Other receivables	68	74
Prepayments	11	8
	<u>591</u>	<u>319</u>

Company

	2025	2024
	£'000	£'000
Trade receivables	203	251
Other receivables	-	2
Prepayments	10	8
	<u>213</u>	<u>261</u>

Other receivables are stated at their nominal value less allowances for non-recoverability.

The Group and Company's exposure to credit and currency risk is disclosed in note 27. Trade receivables are net of a provision for bad debts of £nil (2024: £nil). No bad debt expense has been recognised in the current or prior years.

21. Retirement benefit schemes

	2025	2024
	£'000	£'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	-	-

The Group previously operated a defined contribution pension scheme for qualifying employees which has been discontinued. The assets of the scheme were held separately from those of the Group in an independently administered fund.

At the year end, an amount of £nil (2024 - £1,919) was held in trade and other payables in respect of accrued unpaid pension contributions.

22. Capital and reserves

Share capital

	Number of ordinary shares	
	2025	2024
	Shares of 1p each	Shares of 1p each
In issue at beginning of year	95,397,177	80,097,177
Issued to settle payables/for cash	61,475,877	15,300,000
In issue at 31 December - fully paid	<u>156,873,054</u>	<u>95,397,177</u>

All ordinary shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

22. Capital and reserves (continued)

Issues of ordinary shares

On 7 April 2025, 1,278,515 ordinary shares were issued at 1.4681 pence per share to settle payables of £19,000, 1,816,836 ordinary shares were issued at the same price to R Lamming to settle outstanding fees of £27,000 and 523,383 ordinary shares were issued at the same rate to B Moritz in respect of Company liabilities settled personally by him of £7,728.

On 14 August 2025, 53,571,429 ordinary shares were issued for cash consideration of £750,000 at 1.4p per shares, including shares issued under an open offer to shareholders, and 4,285,714 ordinary shares were issued at the same price to R Lamming to settle outstanding fees of £60,000.

Other reserves

Share option reserve

All share options previously issued have either lapsed or been waived. The balance of the share option/warrant reserve, which comprised the cumulative entries made to the consolidated statement of comprehensive income in respect of equity-settled share-based payments, has been transferred to retained earnings.

Exchange reserve

The exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Convertible loan note reserve

The convertible loan reserve comprises the part of the Convertible Loan Notes in issue at 31 December 2025, which is calculated to be equity, as set out in Note 26.

23. Earnings per share

Basic and diluted earnings/(loss) per share

The calculation of basic earnings/(loss) per share at 31 December 2025 is based on the following (loss)/profit attributable to ordinary shareholders and a weighted average number of ordinary shares in issue.

Loss attributable to ordinary shareholders (£)

	2025	2024
Continuing operations	(3,280,000)	(737,000)
Loss attributable to ordinary shareholders	<u>(3,280,000)</u>	<u>(737,000)</u>

Basic weighted average number of ordinary shares

	2025	2024
Issued ordinary shares at beginning of year	95,397,177	80,097,177
Effect of shares issued	24,680,397	2,936,712
Weighted average number of ordinary shares	<u>120,077,574</u>	<u>83,033,889</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

24. Share-based payments

	Number of share options		Average exercise price	
	2025	2024	2025 Pence	2024 Pence
Outstanding at 1 January	1,900,000	1,300,000		16
Issued in year	-	600,000		4
Lapsed or waived in the year	(1,900,000)	-		
Outstanding at 31 December	-	1,900,000	N/A	16
Exercisable at 31 December	-	1,900,000	N/A	16

All share options previously in issue had lapsed at 31 December 2025, or, in the case of options issued to R Lamming, the rights had been waived.

25. Trade and other payables
Group - Current

	2025 £'000	2024 £'000
Trade payables	292	404
Accrued expenses	182	118
Other payables	171	44
Short term loan	112	-
Deferred consideration to previous minority shareholder in subsidiary company	-	639
	<u>757</u>	<u>1,205</u>

Group – Non-Current

	2025 £'000	2024 £'000
Convertible loans and Promissory notes repayable 2028 (see Note 26)	2,023	1,997
	<u>2,023</u>	<u>1,997</u>

Company - Current

	2025 £'000	2024 £'000
Trade payables	54	98
Accrued expenses	79	76
Other payables	171	30
Deferred consideration to previous minority shareholder in subsidiary company	-	639
	<u>304</u>	<u>843</u>

Company – Non-Current

	2025 £'000	2024 £'000
Convertible loan notes repayable 2028 (see note 26)	858	813
	<u>858</u>	<u>813</u>

There is no material difference between the fair value of trade and other payables and accruals and their book value. The Group's and Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 27.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

25. Trade and other payables (continued)

Deferred consideration and loans to previous minority shareholders relates to the acquisition of the outstanding 49% equity interest in Falcon Isle and loans totalling \$1,816,527 made by the vendor to Falcon Isle, for total consideration of \$3.2 million, payable in four annual tranches of \$800,000 commencing on 1 July 2022 and as such the deferred consideration and loans to previous minority shareholders has been discounted at 12%. During the prior year, unwinding of £156,000 was recognised as a finance cost in the statement of profit or loss.

26. Loans and borrowings

Group – Non-Current

		2025 £'000	2024 £'000
Promissory notes, repayable 2028			
\$350,000 7% secured notes	i	260	280
\$762,500 8% unsecured notes	ii	567	609
Interest free loan repayable 2029		338	295
Convertible loan notes, repayable 2028			
£300,000 7% notes	iii	281	281
£597,500 4% notes	iv	501	501
Rolled up interest		76	31
		<u>2,023</u>	<u>1,997</u>

Company – Non-Current

		2025 £'000	2024 £'000
Convertible loan notes, repayable 2028			
£300,000 7% notes	iii	281	281
£597,500 4% notes	iv	501	501
Rolled up interest		76	31
		<u>858</u>	<u>813</u>

- i. On 22 January 2024, a secured 4-year promissory note of \$350,000 was issued by Falcon Isle. The note carries 7% interest and is repayable after 4 years. Falcon Isle has the right to repay it, without penalty, after 2 years. Interest is payable annually.
- ii. On 28 May 2024, unsecured 4-year promissory notes totalling US\$762,500 were issued by Falcon Isle. The notes carry 8% interest and are repayable after 4 years. Falcon Isle has the right to repay them, without penalty, after 2 years. Interest is payable annually.
- iii. On 22 January 2024, a 4-year convertible loan of £300,000 was issued by the Company. It carries interest at 7% per annum and is convertible into ordinary shares of £0.01p at a conversion price of £0.04 per share. The loan note may be converted at any time by notice given by the holder, interest will be rolled up and included with the amount being converted or paid at the end of the 4-year loan period if not converted. The equity portion of the loan is computed as £19,439 using market interest rate of 9.0%, recorded within statement of changes in equity. Notwithstanding this, if not converted the loan note is repayable at its nominal value of £300,000 if not converted.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**
26. Loans and borrowings (continued)

- iv. On 28 May 2024, 4-year convertible loan notes totalling £597,805 were issued by the Company. They carry interest at 4% per annum and are convertible into ordinary shares of £0.01p at a conversation price of £0.0275 per share. The loan notes may be converted at any time by notice given by the holders; interest will be compounded annually and included with the amount being converted or paid at the end of the 4-year loan period if not converted. The equity portion of the loan is computed as £96,836 using market interest rate of 9.0%, recorded within statement of changes in equity. Notwithstanding this, if not converted the loan note is repayable at its nominal value of £597,805 if not converted.

In addition, in June 2025 the Company issued Zero-Coupon Convertible Loan Notes for £750,000. Of this amount, £150,782 is disclosed as a current liability and £599,218 was converted to Ordinary Shares on 14 August 2025 at a price of 1.4p per share, and is included in Convertible Loan Note Reserves at 30 June 2025.

27. Financial instruments
Financial risk management

The Group's operations expose it to a variety of financial risks that include liquidity risk. The Group has in place a risk management programme that seeks to limit the adverse effect of such risks on its financial performance.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Exposure to credit risk

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

Group

	Financial assets at amortised cost	
	Carrying amount	
Credit risk	2025	2024
	£'000	£'000
Trade and other receivables	591	319
Cash and cash equivalents	153	249
	<u>744</u>	<u>568</u>

Expected credit loss assessment

	Balance	Expected loss rate %	Loss allowance
	£'000		£'000
Trade receivables			
Current	22	-	-
1-30 days overdue	81	-	-
31-60 days overdue	12	-	-
61-90 days overdue	11	-	-
Over 90 days overdue	386	-	-
	<u>512</u>		<u>-</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**
27. Financial instruments (continued)

The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group reviews its facilities regularly to ensure it has adequate funds for operations and expansion plans.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

**Group
2025**

	Carrying amount £'000	Contractual cash flows £'000	3 months or less £'000	3-12 months £'000	2-5 years £'000
Non-derivative financial assets					
Inventory	482	482	482	-	-
Trade and other receivables	591	591	591	-	-
Cash and cash equivalents	153	153	153	-	-
	<u>1,226</u>	<u>1,226</u>	<u>1,226</u>	<u>-</u>	<u>-</u>
Non-derivative financial liabilities					
Trade and other payables	2,780	3,021	755	1,133	1,133
	<u>2,780</u>	<u>3,021</u>	<u>755</u>	<u>1,133</u>	<u>1,133</u>
Liquidity gap	<u>(1,554)</u>	<u>(1,795)</u>	<u>471</u>	<u>(1,133)</u>	<u>(1,133)</u>

**Group
2024**

	Carrying amount £'000	Contractual cash flows £'000	2 months or less £'000	2-12 months £'000	2-5 years £'000
Non-derivative financial assets					
Inventory	532	532	532	-	-
Trade and other receivables	319	319	319	-	-
Cash and cash equivalents	249	249	249	-	-
	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>	<u>-</u>	<u>-</u>
Non-derivative financial liabilities					
Trade and other payables	3,202	3,478	873	1,302	1,302
	<u>3,202</u>	<u>3,478</u>	<u>873</u>	<u>1,302</u>	<u>1,302</u>
Liquidity gap	<u>(2,102)</u>	<u>(2,378)</u>	<u>227</u>	<u>(1,302)</u>	<u>(1,302)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

27. Financial instruments (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to foreign currency risk on purchases that are denominated in currencies other than GBP. The currencies giving rise to this risk are primarily the US dollar.

The carrying amounts of the group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	GBP £'000	USD £'000
Cash and cash equivalents	36	117
Trade and other receivables	16	580
Trade and other payables	(304)	(453)
Loans	(858)	(1,165)
	<u>(1,110)</u>	<u>(921)</u>

Fair values

The fair values of financial instruments such as trade and other receivables/payables are substantially equivalent to carrying amounts reflected in the balance sheet.

Capital management

The Group's objective when managing capital is to safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds, in order to support continued operations.

The Group considers its capital to be total shareholders' equity which at 31 December 2025 for the Group totalled £424,000 (2024: £2,951,000) and for the Company totalled £539,000 (2024: £4,247,000).

28. Related parties

The Group's related parties include its key management personnel, substantial shareholders and others as described below.

With the exception of \$650,000, all the subscriptions for Promissory Notes (\$1,012,500) and Convertible Loan Notes (£897,805) as set out in Note 26 were made by related parties. Each of Russell Lamming and Graham Stacey, directors of the Company, subscribed \$100,000, divided equally between Unsecured Promissory Notes and 4% Convertible Loan Notes. The balance was subscribed by Christopher Grosso, a substantial Shareholder, and the Diane H. Grosso Credit Shelter Trust, an associated party of Christopher Grosso. These subscriptions were made in 2024, but the liability remains outstanding at 31 December 2025.

With the exception of \$650,000, all the subscriptions for Promissory Notes (\$1,012,500) and Convertible Loan Notes (£897,805) as set out in Note 26 were made by related parties. Each of Russell Lamming and Graham Stacey, directors of the Company, subscribed \$100,000, divided equally between Unsecured Promissory Notes and 4% Convertible Loan Notes. The balance was subscribed by Christopher Grosso, a substantial Shareholder, and the Diane H. Grosso Credit Shelter Trust, an associated party of Christopher Grosso.

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28. Related parties (continued)

Christopher Grosso and Joseph Carbone, substantial shareholders, subscribed in equal amounts for £750,000 of zero coupon convertible loan notes in June 2025. Of that amount £599,218 was converted to Ordinary Shares in August 2025 and £150,782 remained to be repaid at 31 December 2025.

In addition, Christopher Grosso advanced \$150,000 to FIR by way of an unsecured interest free loan, which remained outstanding at 31 December 2025.

Russell Lamming, a Director, was issued new Ordinary Shares to the value of £27,000 in April 2025 and a further £60,000 in August 2025 in settlement of amounts due to him.

Brian Moritz, a Director, personally settled £7,728 of liabilities of the Company during 2024. This amount was capitalised into Ordinary Shares in April 2025. In addition, he subscribed £7,000 for new Ordinary Shares under the Open Offer to Shareholders in August 2025

Other related party transactions

During the financial year the Group recorded sales to its associate, Phosul Utah LLC, totalling £441,363 (\$573,000). At 31 December 2025 the outstanding trade receivable balance due from Phosul Utah LLC was £398,568 (\$535,875).

Transactions with Group companies

The Company had the following related party balances from financing activities:

	2025	2024
	£'000	£'000
Southern Iron Limited		
- Loans and receivables (interest free)	-	20
Falcon Isle Resources LLC		
- Loans and receivables (interest free)	2,798	2,794

29. Subsequent events

- a) On 12 September 2026 the Company entered into a conditional agreement with Swatech Mineral Processors (Pty) Limited to acquire 51% of the issued share capital of Cornerstone Mining (Pty) Limited, a company registered in Namibia. Cornerstone, a copper exploration and mining company, will be the holder of two Exclusive Prospecting Licences ("EPLs") in the vicinity of Opuwo in northwestern Namibia. Cornerstone will also own certain mining claims situated within the EPLs.

The initial consideration for the acquisition comprises:

- > US\$1m in cash, payable in two tranches of US\$ 500,000, the second of which is payable on completion; and
- > 18 million Ordinary Shares in the Company credited as fully paid.

In addition, Swatech will be issued with up to a further 46 million Ordinary Shares on the achievement of certain milestones based on production and confirmation of mineral resources.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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29. Subsequent events (continued)

Keras has agreed to provide loans to Cornerstone of US\$2m to be spent on exploration and development of the EPLs. Keras will have the option to acquire a further 19% of Cornerstone for consideration of US\$1m, increasing the percentage owned to 70%.

Swatech will retain a gross revenue royalty of 5% on Cornerstone's sales up to a maximum of US\$5 million.

- b) On 12 September 2026 the Company agreed to sell the whole of its interest in FIR to Christopher Grosso and Joseph Carbone ("Purchasers"), who are substantial shareholders in the Company. The consideration for the sale is:

- > US\$ 1 million in cash payable on completion; and
- > the cancellation of Convertible Loan Notes held by the Purchasers and the Diane H Gosso Credit Shelter Trust totalling £820,000, plus all rolled up interest accrued on the Notes. At 31 December 2025 such rolled up interest totalled £71,000.

The Company will also receive a royalty of \$10 per long ton on all future sales made by FIR.

The sale is conditional on the approval of the transaction by an Ordinary resolution at a General Meeting of the Company, with the Purchasers not voting.

- c) On 12 September 2026 the Company entered into subscription agreements to raise £1,700,000 by the issue of 85,000,000 Ordinary Shares at a price of 2p per share. Of these Ordinary Shares, 45,000,000 are being allotted immediately and the issue of 40,000,000 is conditional on approval of the requisite authority at the Annual General Meeting.