



IRC Limited

HONG KONG STOCK CODE: 1029

2025

ANNUAL REPORT





ABOUT US

IRC is the largest iron ore mining operator in the Russian Far East. Our long-term relationships with customers in China and Russia, as well as our world-class operations, enable us to focus on producing high-quality iron ore concentrates.

WHY IRC

IRC stands out in the iron ore market due to its competitive advantages, namely superior geology and direct access to China, the world's largest iron ore market, through established world-class infrastructure.

2025 AND BEYOND

K&S mine, our flagship 3.2 million tonnes per annum project, produces high quality 65% iron ore concentrate and is operating at a high capacity. In the long term, we have the options to boost the Group's production capacity by adding processing equipment to K&S ("Phase II"), and also by developing other exploration projects of IRC.

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KEY HIGHLIGHTS FOR THE YEAR 2025

PROFITABILITY, COST AND CASHFLOW

US\$**258.1** million
Revenue

↑ 16.7%

US\$**17.2** million
Adjusted EBITDA –
excluding NRI and FX**

↑ 84.9%

US\$**29.9** million
Net cash generated
from operations

↑ 378.0%

US\$**77.6** per tonne
Net cash cost

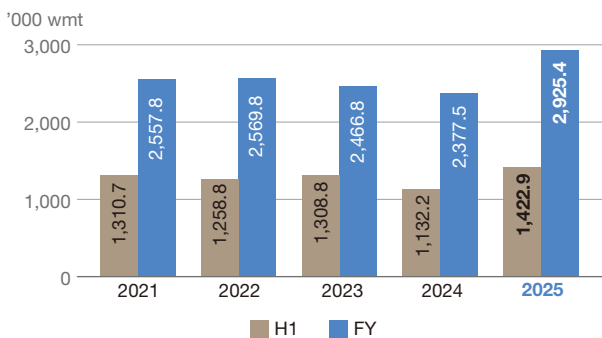
↓ 9.8%

US\$**3.4** million
Adjusted underlying loss**

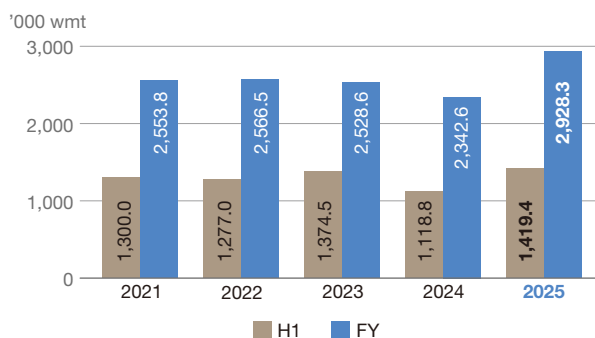
US\$**131.5** million
Loss for the year

US cents **10.29**
Loss per share

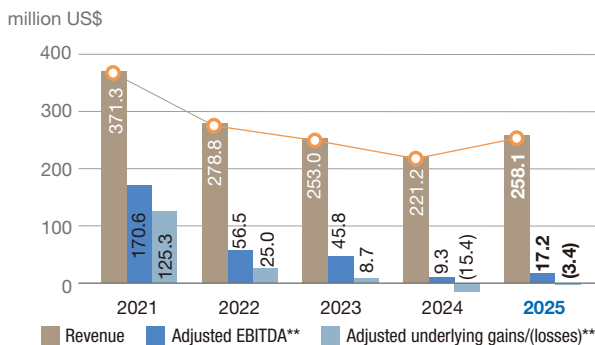
PRODUCTION VOLUME



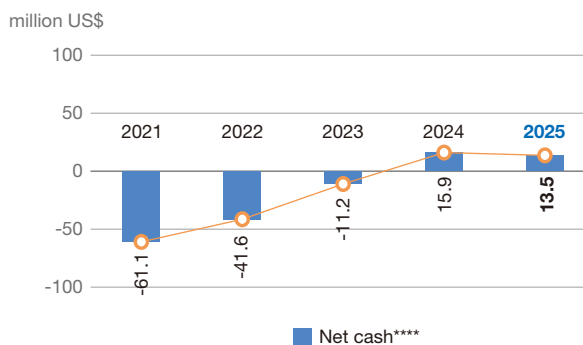
SALES VOLUME



FINANCIAL PERFORMANCE



NET CASH



BALANCE SHEET

US\$**41.6** million
Cash and deposit

↓ 31.5%

US\$**13.5** million
Net cash****

↓ 15.5%

HK\$**1.13**
Net asset value
per share

↓ 41.1%***

15.2%
Gearing****

↑ 7.0%

* All production volume, sales volume and cash cost figures on this page refer to wet metric tonnes unless specified.

** Non-HKFRS measures

*** For comparison purpose, this is calculated based on 2024 net asset value per share adjusted for the 10-to-1 share consolidation in June 2025.

**** Excluding lease liabilities

CHAIRMAN STATEMENT



Nikolai Valentinovich Levitskii, Chairman of IRC

Dear Shareholders,

2025 is a year (the “Year”) which I can reflect on a period of profound transformation for IRC Limited. This was a year defined by a clear contrast: significant operational success achieved against a backdrop of persistent and challenging external headwinds. While our financial results were impacted by market forces beyond our control, the strategic progress we have made, capped by a decisive strengthening of our balance sheet early in 2026, has positioned IRC on a much firmer and more resilient footing for the future.

Operational Transformation Delivers Record Results

The single most important development of 2025 was the full integration and positive contribution from the new Sutara mine site. The successful ramp-up of operations at Sutara has been a game-changer. The high-quality ore from this site has fundamentally improved the feed for our processing plant, allowing us to overcome the geological constraints that previously limited K&S.

This operational achievement translated directly into record production and sales volumes for the full year. We are delighted to report that the strong operating momentum continued, resulting in an annual performance that surpasses any in our history. This volume growth is a testament to our team’s ability to execute on complex projects and demonstrates the inherent quality of our asset base. Furthermore, the technical upgrades implemented during the Year, including the ongoing work to establish an on-site crushing and screening plant at Sutara and the setting up of our own mining fleet, have begun to improve our recovery rates and yield, enhancing our operational efficiency and laying the groundwork for sustainable cost improvements.

A Challenging Macroeconomic Environment

It is deeply frustrating that this exceptional operational progress was not fully reflected in our financial performance. The external environment remained highly challenging throughout 2025. The iron ore market was characterised by persistent weakness, with prices under pressure due to subdued demand from China's struggling property sector and a well-supplied global market. This softer pricing environment significantly constrained our revenue growth despite the surge in sales volumes.

Simultaneously, we faced the ongoing challenge of a strong Russian Rouble. As the majority of our operating costs are Rouble-denominated, this currency strength resulted in a material increase in our US dollar-equivalent cost base. The appreciation of Rouble coupled with the lower achieved selling price per tonne meant that our operational leverage was muted. This situation clearly illustrates the powerful, and at times opposing, forces at play in our industry.

Financial Results and a Strengthened Balance Sheet

Consequently, the robust increase in revenue from higher sales volume was partially offset by the macroeconomic factors. While our core operating performance improved, it was overshadowed by the need to recognise a non-cash asset impairment against K&S. This impairment, resulting from the revised long-term outlook incorporating the stronger Rouble, means the Company reports a loss for the year.

We have taken decisive action to fortify the Company's financial health for the long term. In early 2026, we successfully completed a non-fully underwritten rights issue. The proceeds from this exercise, received in February 2026, have significantly strengthened IRC's financial position, enhancing our liquidity and providing us with greater flexibility and resilience. This was a crucial step in ensuring we have the robust capital structure needed to navigate market volatility and pursue future opportunities.

OUTLOOK: CAUTIOUSLY OPTIMISTIC AND FINANCIALLY STRONGER

Looking ahead to 2026 and beyond, the near-term market outlook remains uncertain, with global economic conditions and iron ore demand continuing to present challenges. We do not expect the external headwinds to abate quickly.

CHAIRMAN STATEMENT (CONTINUED...)

However, the foundations of our business are now stronger than they have been for years. Operationally, we have the Sutara mine delivering high-quality ore, and we will continue to focus on driving efficiencies, optimising our new in-house mining fleet, and completing the crushing and screening plant to further reduce costs. Strategically, we now have a stronger balance sheet, thanks to the recent rights issue, providing the financial stability to withstand market pressures.

We remain focused on what we can control: safe, efficient production; prudent cost management; and disciplined capital allocation. Our world-class assets, our dedicated team, and our direct access to the Chinese market remain our core competitive advantages. With our operational platform transformed and our finances reinforced, IRC is well-positioned to deliver improved value for our shareholders when market conditions improve.

Acknowledgments

I wish to extend my sincere gratitude to our employees for their resilience and hard work during a demanding year. I also thank our shareholders for their continued trust and support and our partners for their collaboration. We move into 2026 with a stronger company and a clearer path forward.

Nikolai Levitskii*Chairman*

CEO AND CFO REPORT



Denis Vitalievich Cherednichenko, Chief Executive Officer of IRC

Dear valued Shareholders,

As we reflect on the financial year ended 31 December 2025 (the “Year”), we are reporting a significant improvement in our operational performance. The year 2025 has been one of delivery, demonstrating the resilience and strategic focus of the IRC team against a backdrop of persistent market challenges.

Following a challenging transitional year in 2024, the successful commissioning of the Sutara mine in July 2024 has begun to yield substantial operating benefits. This, combined with our team’s relentless focus on operational efficiency and targeted plant upgrades, have allowed us to navigate a volatile market environment and return to a stronger footing despite significant external pressures.

In 2025, although the K&S plant operated at 93% of its designed capacity to achieve a significant increase in sales volume, the Group recorded an adjusted underlying loss of US\$3.4 million. While IRC continues to maintain strong production and sales volumes, our financial performance is being challenged by adverse market conditions: declining iron ore prices and Rouble appreciation pressure. These headwinds have continued to impact our financial results.

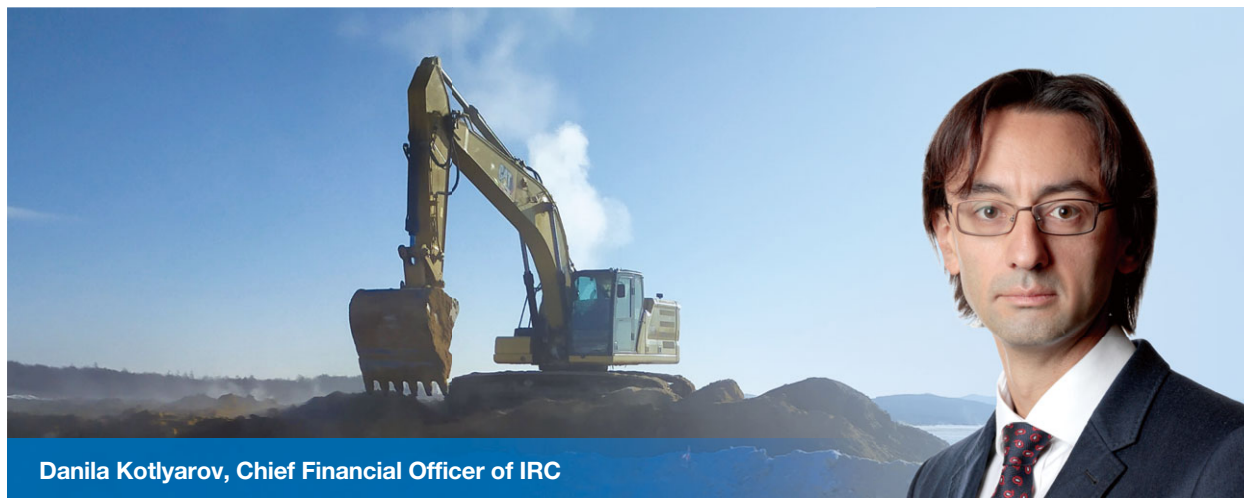
Operating Summary

The transition of mining operations from the depleting Kimkan deposit to the new, long-life Sutara mine was the defining event of 2024, and its positive impact has materialised in 2025. The Sutara deposit, with its superior ore quality and lower stripping ratio comparing to the depleting Kimkan deposit, has been a game-changer for our K&S, despite additional transport costs required for the Sutara ore to be delivered to the K&S plant.

Throughout 2025, access to this higher-grade ore dramatically improved the efficiency of our beneficiation process. Critically, this natural advantage was amplified by a series of targeted technical upgrades implemented at the K&S processing plant to fine tune the production process and improve the operating efficiency.

These improvements, synergistic with the superior ore from Sutara, have driven a material improvement in yield and operational stability. K&S’s operating capability showed a sustained upward trend, achieving an average production rate of about 93% of the designed capacity in 2025. This operational stability has been the primary driver of our improved production and sales volumes.

CEO AND CFO REPORT



Danila Kotlyarov, Chief Financial Officer of IRC

As a result, total iron ore production for 2025 surged by 23.0% to 2,925,373 tonnes (2024: 2,377,519 tonnes). This increase in production directly fueled our sales, which rose by 25.0% to 2,928,251 tonnes (2024: 2,342,633 tonnes). This substantial growth in sales volume forms the cornerstone of our improved financial performance this year.

Furthermore, while the development of the Sutara complex continues, we are also pleased with the progress on our strategic initiative to purchase our own mining equipment. At the end of 2025, we have successfully launched the mining fleet which consists of one 22-cubic metre shovel, one 7-cubic metre shovel, and eleven trucks of which six are 220-tonne trucks and five are 130-tonne ones. Apart from these, two drill rigs have been operational, taking over about half of the drilling and blasting volume. This move, aimed at reducing our reliance on third-party contractors, is on track and is expected to contribute to long-term cost control and enhanced operational control in the coming years.

Financial Summary

Operating Results

While the operational recovery was genuinely impressive, it has not translated directly into a much-improved financial performance. IRC recorded an adjusted EBITDA of US\$17.2 million for 2025, an increase of 84.9% compared to the US\$9.3 million reported in 2024. This positive result was driven by the 25.0% increase in sales volume and a significant 9.8% reduction in our cash cost per tonne. The mining cost alone decreased by 24.4%, directly reflecting the lower stripping ratio and higher ore quality at Sutara. These positive impacts partially offset the headwinds of a 6.4% decline in the average Platts 65% iron ore price, persistent high inflation in Russia, and the ongoing appreciation of the Russian Rouble against the US Dollar.

Assets impairments

Impairment losses of US\$159.6 million were recorded in 2025. This impairment charge is mainly related to K&S and is primarily driven by the appreciation of the Russian Rouble against the US Dollar during the Year and change in the expected exchange rate going forward. As our operating costs are predominantly Rouble-denominated, a stronger Rouble results in higher forecasted operating costs when translated into US Dollars for our impairment model. It is critical to understand that this is an accounting provision only and does not represent a cash outflow.

Resolution of Dispute with EPC contractor

We are also pleased to announce a significant milestone in resolving a legacy issue. During the Year, we reached an agreement with our EPC contractor regarding disputes that had been ongoing for years. As a result, the provision made for the dispute could be written back, allowing IRC to record a one-off gain of US\$29.9 million. This positive outcome brings closure to a protracted legal matter, and we are pleased that an amicable solution with the EPC contractor has been found.

Disposal of interest in a joint venture

In line with our commitment to focus on our core business and optimise our asset portfolio, during the Year, IRC has disposed of its 46% equity interest in a loss-making joint venture company. As we have previously disclosed, the Group had fully provided for its interest in this joint venture in prior years due to its sustained poor financial performance. Consequently, the disposal resulted in a one-off cash gain of US\$4.2 million for the Group. This transaction allows us to recover 70% of our historical investment in the joint venture.

Underlying Results

While we report a statutory loss of US\$131.5 million for the Year, this figure is heavily influenced by the aforesaid non-cash and non-recurring items. Excluding all such items, our adjusted underlying loss narrowed significantly to US\$3.4 million in 2025 from a loss of US\$15.4 million in 2024.

Liquidity Enhancement and Capital Management

In light of the challenging operating environment, in the fourth quarter of 2025, we took decisive action to fortify our balance sheet and support our next phase of growth by conducting a rights issue to raise approximately US\$41.8 million. The rights issue was successfully completed in February 2026, securing sufficient funds for repaying the Group's borrowings and payables, which will not only allow the Group to meet the financial obligations when they fall due but will also improve the Group's financial position and enhance its profitability by reducing the burden of interest expenses. The rights issue was essential to stabilise the Company's finances.

Capital expenditure increased to US\$33.6 million (2024: US\$17.4 million), reflecting our investment in the finalisation of development of the Sutara mine, including the crushing and screening plant and the acquisition of our own mining fleet and drilling equipment. This investment is crucial for our long-term cost reduction and efficiency strategy.

Outlook

Looking ahead to 2026, we are realistic about the challenges that lie ahead. The foundations for sustainable performance have been laid with the transition to Sutara and to substantially take over the mining works from the contractors. Our focus is now on execution and continuous improvement under difficult market conditions.

CEO AND CFO REPORT (CONTINUED...)

- Operational Excellence and Cost Control:** Our primary goal is to fully capture the benefits of the Sutara mine. This includes the successful and timely commissioning of the Sutara crushing and screening plant to reduce hauling costs. We are also pushing forward with integrating our own mining fleet and drilling and blasting works to lessen our dependence on contractors and achieve further cost savings. Building on the success of our recent upgrades, our research and development programs will continue to identify further low-cost enhancements to boost plant capacity and reduce unit costs.
- Managing External Risks:** We remain vigilant about the external environment. Geopolitical tensions and their impact on supply chains and procurement costs continue to be a risk we must navigate carefully. We are closely monitoring trade policies and their potential effect on market dynamics. While China's economic trajectory remains a crucial factor for global iron ore demand, we hope that its ongoing urbanisation and infrastructure needs will offer some level of support.
- Financial Discipline:** With our strengthened balance sheet, the proceeds from the new rights issue, and improved operational cash flow, we are better-positioned to navigate uncertainties and fund our growth. We will continue to manage our debt prudently and allocate capital to initiatives that deliver the highest returns and strengthen our competitive position.

While 2025 was a year of recovery, we recognise that challenges remain. However, we are confident that with the Sutara mine now at the heart of our operations, a clear strategy for cost reduction, and a robust financial position, IRC is stronger and better equipped to deliver long-term value. We are committed to building on this momentum and driving sustainable growth for our stakeholders.

Conclusion

We extend our deepest gratitude to our shareholders for their unwavering support, to our customers for their continued partnership, and most importantly, to the entire IRC team for their dedication and hard work that made this turnaround possible. Together, we have navigated a difficult period and emerged more resilient. We are focused on the future and remain determined to build a stronger IRC.

Denis Cherednichenko
Chief Executive Officer

Danila Kotlyarov
Chief Financial Officer

RESULTS OF OPERATIONS

The table below shows the results of the Group for the year ended 31 December 2025 (the “Year”) and 2024:

	For the year ended 31 December		
	2025	2024	Variance
Key Operating Data			
Iron Ore Concentrate			
– Production volume (tonnes)	2,925,373	2,377,519	23.0%
– Sales volume (tonnes)	2,928,251	2,342,633	25.0%
Achieved Selling Price (US\$/tonne)			
– based on wet metric tonne	88.1	94.3	(6.6%)
– based on dry metric tonne	95.3	101.3	(5.9%)
Platts 65% iron ore average price	115.4	123.3	(6.4%)
Russian Rouble average exchange rate (to the US Dollar)	83	93	(10.8%)
Cash Cost (US\$/tonne)			
– excl. transportation to customers (wet metric tonne)	60.9	70.6	(13.7%)
– incl. transportation to customers (wet metric tonne)	77.6	86.0	(9.8%)
– excl. transportation to customers (dry metric tonne)	65.9	75.8	(13.1%)
– incl. transportation to customers (dry metric tonne)	83.9	92.4	(9.2%)
Consolidated Income Statement (US\$'000)			
Revenue	258,052	221,156	16.7%
Site operating expenses and service costs before depreciation	(230,961)	(201,310)	14.7%
General administration expenses before depreciation	(9,634)	(10,209)	(5.6%)
Other expenses, gains and losses, and other allowances, net	(215)	(310)	(30.6%)
Adjusted EBITDA excluding non-recurring items and foreign exchange (note)	17,242	9,327	84.9%
Depreciation	(16,710)	(17,600)	(5.1%)
Finance costs, net	(4,244)	(6,526)	(35.0%)
Income tax credit/(expense) & non-controlling interests	310	(623)	(149.8%)
Adjusted underlying loss – excluding non-recurring items and foreign exchange (note)	(3,402)	(15,422)	(77.9%)
Net foreign exchange and fair value change of derivatives	(2,584)	(916)	182.1%
Provision for asset impairment losses	(159,610)	–	N/A
Reversal of accruals and write-back of payables related to EPC contract	29,883	–	N/A
Gain from disposal of a joint venture company	4,245	–	N/A
Other provision	–	(4,153)	(100.0%)
Loss attributable to the owners of the Company	(131,468)	(20,491)	541.6%

Note: These represent non-HKFRS adjusted results of the Group. For further details of the basis of adjustment and adoption of non-HKFRS measures, please refer to the section headed “Use of Non-HKFRS measures” on page 11 to 13 of this report.

RESULTS OF OPERATIONS (CONTINUED...)

USE OF NON-HKFRS MEASURES

To supplement IRC's consolidated financial statements prepared and presented in accordance with HKFRS Accounting Standards, non-HKFRS adjusted results are presented as additional financial measures.

IRC's operating results are mainly derived from the operation of K&S. The Group manages its operations with principal reference to the underlying operating cash flows and recurring earnings. The "adjusted EBITDA" and "adjusted underlying results", as presented below, are results which exclude non-recurring items and foreign exchange. The Company believes that these non-HKFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impact of items that management considers non-indicative of the operating performance. It is considered that these measures provide useful information to investors and others in understanding and evaluating IRC's consolidated results of operations and financial position, in the same manner as they help the management of IRC. However, the presentation of the non-HKFRS adjusted EBITDA and non-HKFRS adjusted underlying results may not be comparable to similarly titled measures presented by other companies. The use of these non-HKFRS measures has limitations as analytical tools, and should not be considered in isolation from, or as substitutes for analysis of, the results of operations or financial position of IRC as reported under HKFRS Accounting Standards.

1. Adjusted EBITDA — excluding non-recurring items and foreign exchange

US\$'000	For the year ended 31 December	
	2025	2024
Loss before taxation		
— As reported	(131,778)	(19,868)
Non-HKFRS adjustments		
— Impairment losses	159,610	—
— Net foreign exchange and fair value change of derivatives	2,584	916
— Depreciation	16,710	17,600
— Finance costs, net	4,244	6,526
— Reversal of accruals and write-back of payables related to EPC contract	(29,883)	—
— Gain from disposal of a joint venture company	(4,245)	—
— Other provision	—	4,153
Non-HKFRS		
— Adjusted EBITDA excluding non-recurring items and foreign exchange	17,242	9,327

RESULTS OF OPERATIONS (CONTINUED...)

For the year ended 31 December 2025, the Group recorded a positive adjusted EBITDA, excluding non-recurring items and foreign exchange of US\$17.2 million (2024: US\$9.3 million). The positive adjusted EBITDA was primarily driven by higher production and sales volumes, along with lower production costs, which offset the impacts of weaker iron ore prices and Rouble appreciation, as detailed below:

Sales and production volumes: The significant increase in production and sales volumes by K&S was driven by improved ore quality and lower stripping ratio at Sutara, as well as technology improvement of the production process. During the Year, 2,925,373 tonnes of iron ore concentrate were produced (2024: 2,377,519 tonnes), representing an increase of 23.0%. Sales volume also increased accordingly, with 2,928,251 tonnes of iron ore concentrate being sold in 2025 (2024: 2,342,633 tonnes), 25.0% higher than that of last year.

Selling prices: The average Platts 65% iron ore price amounted to US\$115.4 per tonne for the Year (2024: US\$123.3 per tonne), representing a decrease of 6.4%. IRC's achieved selling price for iron ore concentrate also decreased accordingly by 5.9%, from US\$101.3 per tonne in 2024 to US\$95.3 per tonne in 2025.

Production cost: Despite the high Russian inflation, strong Rouble appreciation, and the increase of Mineral Extraction Tax rate, IRC's cash cost decreased by 9.8% to US\$77.6 per tonne. This positive impact is mainly attributable to significant decrease in mining cost, as the good quality ore and lower stripping ratio at Sutara, coupled with an improved iron ore recovery following technical improvements provided a much-improved yield rate. The higher sales volumes also led to a general decrease in fixed costs on a per tonne basis. The increased sales volumes along with lower production costs mitigated the impacts of weaker iron ore price, Russian inflation and Rouble appreciation. The combined effect led to a positive adjusted EBITDA of US\$17.2 million for the Year, marking an increase of 84.9% as compared with that of 2024.

2. Adjusted underlying results – excluding non-recurring items and foreign exchange

US\$'000	For the year ended 31 December	
	2025	2024
Loss attributable to the owners of the Company		
– As reported	(131,468)	(20,491)
Non-HKFRS adjustments		
– Impairment losses	159,610	–
– Reversal of accruals and write-back of payables related to EPC contract	(29,883)	–
– Gain from disposal of a joint venture company	(4,245)	–
– Net foreign exchange and fair value change of derivatives	2,584	916
– Other provision	–	4,153
Non-HKFRS		
– Adjusted underlying loss excluding non-recurring items and foreign exchange	(3,402)	(15,422)

RESULTS OF OPERATIONS (CONTINUED...)

The Group's statement of profit or loss sometimes includes certain material non-recurring and non-operating items which, under the non-HKFRS adjusted results, should be considered separately. In 2025, these items are:

- **Impairment losses:** Impairment losses related to the K&S mine amounted to US\$152.9 million (2024: nil). This was primarily due to the appreciation of the Russian Rouble resulting in higher forecasted operating costs in US dollar term. In addition, during the Year, the carrying value of one of the exploration and evaluation assets, Bolshoi Seym, amounting to US\$6.7 million was fully impaired due to issues with the exploration license (2024: nil). For further details in respect of the impairment losses, please refer to note 9 to the consolidated financial statements of the Company for the year ended 31 December 2025 in this annual report.
- **Reversal of accruals and write-back of payables related to EPC contract:** A one-off gain of US\$29.9 million was recorded during the Year (2024: nil) primarily resulted from the reversal of accruals and write-back of payables related to an EPC contract following an amicable settlement of the dispute. For further details, please refer to the announcement of the Company dated 23 January 2025.
- **Gain from disposal of a joint venture company:** During the Year, the Group had sold its 46% equity interest in Heilongjiang Jianlong Vanadium Industries Co., Ltd (the "JV Company"). As the Group's interest in the JV Company had been fully provided for in previous years, the disposal resulted in a net one-off gain of US\$4.2 million. Upon completion of the disposal, the Group ceased to have any equity interest in the JV Company.
- **Net foreign exchange and fair value change of derivatives:** A non-cash net foreign exchange loss of US\$2.6 million was recorded during the Year (2024: net foreign exchange loss and fair value change of derivatives of US\$0.9 million), mainly due to Russian Rouble exchange rate movements.

While the Group reports a loss of US\$131.5 million for the Year, this figure may not be a best reflection of the actual performance of the Group due to the aforementioned non-recurring items and foreign exchange. Under the non-HKFRS measures adopted, the Group reports an adjusted EBITDA of US\$17.2 million and an adjusted underlying loss of US\$3.4 million. The underlying result for the Year is better than that of 2024 mainly due to improved adjusted EBITDA, as discussed above.

REVENUE

Iron ore concentrate

IRC's main revenue source comes from the sales of 65% iron ore concentrate produced at the K&S mine.

During the Year, the Company experienced a significant increase in both production output and sales volumes of iron ore compared to the previous year. This robust performance is primarily attributable to the commencement of operations at the Sutara mine in July 2024, which facilitated a gradual transition of mining works from the Kimkan mine to the Sutara mine. The transition to the Sutara mine enabled the delivery of higher quality ore mined with lower stripping ratio, significantly boosting production volume and operational efficiency of K&S. The operations of the Sutara mine effectively addressed the challenges faced by the Group in the first half of 2024, when production was constrained due to the deterioration in the quality of iron ore reserves from the depleting Kimkan deposit. To illustrate the positive impact of Sutara, during the first quarter of 2025, the Company produced 679,080 tonnes of iron ore concentrate. In the second quarter of 2025, production volume increased to 743,790 tonnes, reflecting an increase of 9.5% from quarter to quarter.

RESULTS OF OPERATIONS (CONTINUED...)

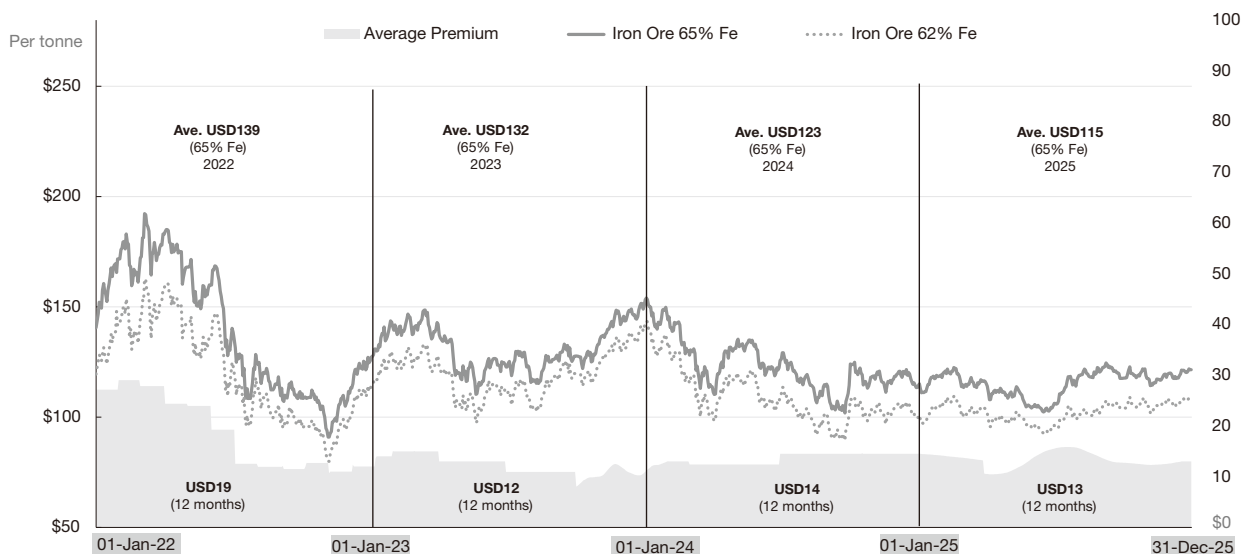
Additionally, technical improvements and upgrades implemented at the K&S processing plant have enhanced operational efficiency, leading to a material improvement in yield. The synergistic effect of accessing superior ore from the new site and optimising plant performance has enabled the Company to deliver substantially higher production and sales volumes.

During the Year, a total of 2,925,373 tonnes of iron ore concentrate were produced, 23.0% higher than the 2,377,519 tonnes produced during 2024. In line with the increased production volume, sales volume also increased. During the Year, sales volume of 2,928,251 tonnes of iron ore concentrate was 25.0% higher than the 2,342,633 tonnes sold in the previous year. In terms of the quantity of ore mined at Sutara, a total of 8.3 million tonnes of iron ore were mined at Sutara, accounting for approximately 89% of the total amount of ore mined during the Year.

The selling price of K&S’s iron ore concentrate is determined with reference to the international spot price of Platts iron ore benchmark index. During the Year, the market price of iron ore exhibited an “N-shaped” trajectory, characterised by moderate volatility and ultimately ending the year with an average price decrease when comparing with the average price in 2024. Platts 65% iron ore price index began the year on firmer ground, rising to around US\$117 per tonne in the first quarter, driven by supply disruptions in Australia and Brazil and optimistic policy expectations in China. This was followed by a downward trend through the second quarter of 2025 with the Platts 65% iron ore price index averaging around US\$109 per tonne, as steel mill margins came under pressure and demand softened. The market staged a recovery in the third quarter, supported by resilient Chinese steel exports and government signals of economic support, which pushed prices back up to an average of around US\$117 per tonne. Heading into the fourth quarter, prices were influenced by a combination of persistent demand for medium-grade fines, offset by speculative concerns about future supply from projects. This resulted in a relatively stable price level with an average index price of US\$119 per tonne. Reflecting these dynamics, the Platts 65% iron ore price index averaged US\$115.4 per tonne in 2025, 6.4% lower than that of last year.

The chart below illustrates the movement of the Platts 65% Fe index from 2022 to 2025:

Platts 65% Iron Ore Price vs 62% Iron Ore Price



* Source: Platts (as of 31 December 2025)

RESULTS OF OPERATIONS (CONTINUED...)

The positive impact of the 25% increase in sales volume was partially offset by the falling iron ore price which translated to an increase in IRC's revenue by 16.7% to US\$258.1 million.

As of 31 December 2025, IRC did not have any open iron ore hedging position, given that it is difficult to achieve meaningful hedges with the forward iron ore curve in backwardation. IRC will continue to monitor the price movements and may enter into hedging transactions if the hedging terms are considered favorable.

Although K&S is strategically located at the doorstep of its Chinese market, most of the major Chinese steel mills nearby are owned or controlled by the same corporate organisation. This means that in the north-eastern part of China, IRC is operating in a semi-captive market, where low transportation costs play an important positive role on the logistics cost of its product but its bargaining power in price negotiations is negatively affected. This trend continued in 2025, especially with the steel mills opting to operate at a lower profitability and capacity mode as the economy in China continues to be relatively sluggish. As a result, the steel mills preferred lower grade and cheaper iron ore. IRC understands that this has been the case for other Russian producers as well, with discounts being commonly offered to customers in the region. For this reason, sales have also been made by K&S to customers in Russia in the past, but this market is not without its challenges considering the market competition from other local producers. As the purchase prices offered by the Russian customers of K&S were not attractive, minimal sales were made to Russia in 2025. Seaborne sales continued to be suspended due to the volatile operating environment which makes such sales uneconomical. K&S will continue monitoring the situation and adjusting its sales and marketing strategy accordingly.

In 2025, K&S predominantly used the Amur River Bridge (the "Bridge") for railway shipments to the Chinese customers. In 2025, 1.8 million tonnes of iron ore concentrate were shipped via the Bridge, representing approximately 63% of total shipments during the Year. Although shipments made via the Bridge do not save much cost due to the high bridge tariff, this transportation route helps alleviate the railway congestion issues and allows K&S to ship its products more efficiently to its customers.

Engineering Services

Revenue from Giproruda, the Group's small-scale engineering services division, was not material but diversified the Group's revenue. Revenue from the segment was US\$321,000 in 2025 (2024: US\$202,000).

RESULTS OF OPERATIONS (CONTINUED...)

SITE OPERATING EXPENSES AND SERVICE COSTS BEFORE DEPRECIATION

The mining and operating expenses incurred by the Group's sole operating mine, the K&S project, in relation to sales of iron ore concentrate are primarily reflected in site operating expenses and service costs.

The table below illustrates the details of the key cash cost components per wet metric tonne of iron ore concentrate sold:

	For the year ended 31 December	
	2025 Cash cost per tonne US\$/t	2024 Cash cost per tonne US\$/t
Mining	25.1	33.2
Processing and drying	13.0	12.5
Production overheads, site administration and related costs	14.6	13.8
Mineral Extraction Tax	8.2	5.6
Temporary Export Duties	–	5.5
Net cash cost before transportation to customers	60.9	70.6
Transportation to customers	16.7	15.4
Net cash cost	77.6	86.0

Net cash cost for the Year was US\$77.6 per tonne (2024: US\$86.0 per tonne), representing a decrease of 9.8%. This reduction is primarily due to the mining at Sutara, whose superior ore quality and lower stripping ratio improved the yield and resulted in reduction in mining costs. Specifically, mining cost for the Year was US\$25.1 per tonne (2024: US\$33.2 per tonne), representing a decrease of 24.4%. The successful commencement of Sutara mine enables K&S to deliver higher quality ore while managing costs more effectively. In addition, the higher production volume, which allows the Group to benefit from economies of scale, coupled with the technological upgrades of the K&S processing plant, has resulted in a general reduction in cost on a per tonne basis.

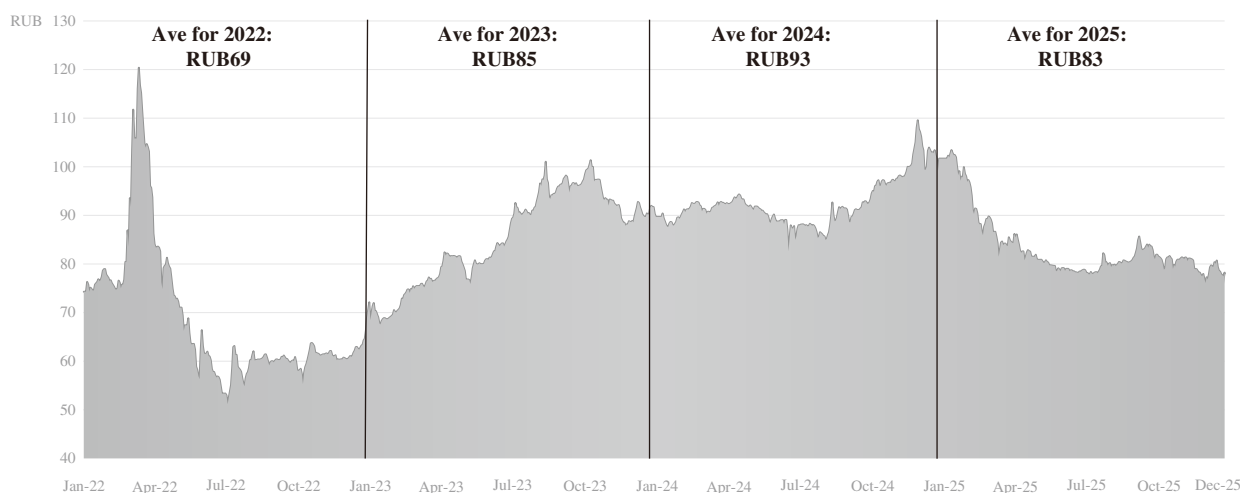
Production overheads, site administration and related costs for the Year amounted to US\$14.6 per tonne (2024: US\$13.8 per tonne), representing an increase of 5.8%. The increase was mainly attributable to higher operational expenses, mainly driven by inflationary pressures and the expansion of operational activities. In 2025, Russia's inflation rate is around 6%, higher than the Russia Central Bank's target of 4%. Cost control remains a challenging task for K&S.

The Temporary Export Duties were nil for the Year (2024: US\$5.5 per tonne) as such duties were only implemented by Russia to last until the end of 2024. On the other hand, the Mineral Extraction Tax for the Year was US\$8.2 per tonne (2024: US\$5.6 per tonne), representing an increase of 46.4%. The increase was attributable to a general increase in the Mineral Extraction Tax rate by Russia in 2025, and also the increase of the Mineral Extraction Tax rate of K&S following the expiry of a preferential tax regime previously granted.

RESULTS OF OPERATIONS (CONTINUED...)

IRC's operating cost is also dependent on the strength of the Russian Rouble, as the Group's costs are mainly denominated in Roubles. During the Year, the Rouble exchange rate was about RUB83 to the US Dollar (2024: RUB93 to the US Dollar), representing a currency strengthening of 10.8%. The appreciation of the Rouble has heightened inflationary pressure on costs and negatively impacted on the Group's operating margin. As of 31 December 2025, the Group did not have any hedging position for the Russian currency, but may consider entering into foreign exchange hedging contracts if deemed appropriate. The chart below illustrates the movements of the Rouble exchange rate since 1 January 2022 to 31 December 2025:

The Movement of Russian Rouble



* Source: Bank of Russia (as of 31 December 2025)

In summary, the net cash cost for the K&S project decreased to US\$77.6 per tonne, representing a decrease of 9.8% compared to 2024. This decline is primarily due to the successful commencement of the Sutara mine site, whose improved ore quality and lower stripping ratio allowed mining cost to reduce by 24.4%. These improvements, together with the upgrades to the processing plant, effectively offset the negative impacts of increasing Mineral Extraction Tax, higher production overheads and the appreciation of Rouble.

GENERAL ADMINISTRATION EXPENSES BEFORE DEPRECIATION

General administration expenses before depreciation of US\$9.6 million is generally in line with last year's expense level of US\$10.2 million.

OTHER EXPENSES, GAINS AND LOSSES, AND OTHER ALLOWANCES, NET

Net other expenses, gains and losses, and other allowances in 2025 mainly represents the rental income offset by the loss on disposal of fixed assets and other expenses, resulting in a net expense position.

DEPRECIATION

Depreciation of US\$16.7 million in 2025 is generally in line with last year's level of US\$17.6 million.

FINANCE COSTS, NET

Net finance costs principally reflect the interest expenses incurred by K&S on the loan facilities from MIC invest Limited Liability Company ("MIC"). During the Year, net finance costs amounted to US\$4.2 million (2024: US\$6.5 million), representing a decrease of 35.0% compared with that of 2024. The decrease was primarily due to voluntary early principal repayments of US\$12.0 million, in addition to the scheduled loan principal repayment instalment of US\$4.8 million to MIC in the first quarter of 2025. The tranche with the higher interest rate has been fully repaid in 2025.

INCOME TAX CREDIT/(EXPENSE) AND NON-CONTROLLING INTERESTS

The income tax credit and non-controlling interests of US\$0.3 million is mainly related to the provision made for deferred tax movements.

NET FOREIGN EXCHANGE AND FAIR VALUE CHANGE OF DERIVATIVES

During the Year, the net foreign exchange was US\$2.6 million (2024: net foreign exchange and fair value change of derivatives of US\$0.9 million). It was mainly attributable to the movements in exchange rate of Russian Rouble.

PROVISION FOR ASSET IMPAIRMENT LOSSES

Provision for asset impairment losses related to the K&S mine for the Year amounted to US\$152.9 million (2024: nil). This was primarily due to the higher forecasting operating costs following the Rouble appreciation. In addition, due to licence issues, the carrying value of Bolshoi Seym of US\$6.7 million was fully impaired (2024: nil). For further details, please refer to note 9 to the consolidated financial statements of the Company for the year ended 31 December 2025 in this annual report.

REVERSAL OF ACCRUALS AND WRITE-BACK OF PAYABLES RELATED TO EPC CONTRACT

A one-off gain of US\$29.9 million was recorded during the Year (2024: nil), primarily resulted from the reversal of accruals and write-back of payables related to an EPC contract following an amicable settlement of the dispute. For further details, please refer to the announcement of the Company dated 23 January 2025.

GAIN FROM DISPOSAL OF A JOINT VENTURE COMPANY

During the Year, the Group had disposed of its 46% equity interest in Heilongjiang Jianlong Vanadium Industries Co., Ltd (the "JV Company"). As the Group's interest in the JV Company had been fully provided for in previous years, the disposal resulted in a net one-off gain of US\$4.2 million. Upon completion of the disposal, the Group ceased to have any equity interest in the JV Company.

LOSS ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The Group recorded a loss of US\$131.5 million for the Year (2024: US\$20.5 million). The loss was mainly due to the net effect of a one-off gain from reversal of accruals and write-back of payables related to EPC contract of US\$29.9 million for the Year offset by impairment losses related to the K&S mine and other assets of US\$159.6 million for the Year.

SEGMENT INFORMATION

The mine in production segment represents the K&S mine's production and sales. This segment made a loss of US\$141.5 million for the Year, mainly due to the impairment losses related to the K&S mine, as mentioned above. Mines in development, engineering and other segments were not material to the total revenue and a total loss of US\$7.6 million of these segments was recorded during the Year.

RESULTS OF OPERATIONS (CONTINUED...)

CASH FLOW STATEMENT

The following table summarises key cash flow items of the Group for the years ended 31 December 2025 and 31 December 2024:

US\$'000	For the year ended 31 December	
	2025	2024
Operating profit before working capital movements	20,498	7,391
Working capital movements		
— Net movement in inventories	(9,107)	(69)
— Net movement in receivables	20,369	7,926
— Net movement in payables	(1,812)	(8,983)
Net cash generated from operations	29,948	6,265
Repayments of borrowings	(16,809)	(22,828)
Capital expenditure	(33,620)	(17,350)
Interest expenses paid	(3,371)	(7,169)
Interest received, other payments and other adjustments, net	328	(1,802)
Income tax (paid)/refund	(154)	794
Proceeds from disposal of a joint venture company	4,518	–
Proceeds from issuance of shares	–	46,267
Net movement during the Year	(19,160)	4,177
Cash and bank balances (including time deposits)		
— At 1 January	60,734	56,557
— At 31 December	41,574	60,734

In 2025, operating profit before working capital movements was US\$20.5 million, up from US\$7.4 million in the prior year, mainly due to the increase in EBITDA as discussed above. A net working capital inflow of US\$9.5 million (2024: outflow of US\$1.1 million) was recorded in 2025, including increase in receipt of trade receivables from customers offset by stockpiling of inventories for future use. This has boosted net cash generated from operations in 2025 to US\$29.9 million (2024: US\$6.3 million).

The loan from MIC is to be repaid on a quarterly basis. The repayments of borrowings for the Year amounted to US\$16.8 million (2024: US\$22.8 million). The 2025 repayment represents voluntary early principal repayments of US\$12.0 million and the scheduled loan principal repayment instalment of US\$4.8 million in the first quarter of 2025. For the quarterly instalments that were due in June 2025, September 2025 and December 2025 totaling US\$14.4 million, MIC has agreed to extend the repayment deadline to March 2026. The MIC loan has been fully repaid in March 2026, before the repayment deadline.

Capital expenditure for the Year amounted to US\$33.6 million (2024: US\$17.4 million). The increase was primarily attributed to the acquisition of K&S's mining equipment to reduce the reliance on external mining contractors, and the continuing development of the Sutara mine including the crushing and screening plant.

In December 2024, IRC completed a rights issue raising net proceeds of US\$46.3 million and the major of the proceeds were used for loan repayment. Consequently, the interest payment of US\$3.4 million is lower than that of last year (2024: US\$7.2 million).

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Share capital

On 15 May 2025, the Board proposed to implement the share consolidation on the basis that every ten issued shares of the Company be consolidated into one ordinary share ("Share Consolidation"). The Share Consolidation had been approved by the shareholders of the Company at the annual general meeting on 25 June 2025 and became effective on 27 June 2025. Details of the Share Consolidation are set out in the Company's announcements dated 15 May 2025 and 25 June 2025, and circular dated 30 May 2025.

On 24 October 2025, the Company proposed to raise up to approximately US\$41.8 million before expenses by way of a rights issue to issue a maximum of 638,974,294 rights shares at a subscription price of HK\$0.51 per right share on the basis of one rights share for every two existing shares. The rights issue was completed on 6 February 2026 for which 638,974,294 rights shares had been issued and the Company had raised US\$41.8 million before expenses.

Cash Position

As of 31 December 2025, the carrying amount of the Group's cash, deposits and bank balances decreased to US\$41.6 million (31 December 2024: US\$60.7 million). The decrease is mainly due to the principal repayments to MIC and the capital expenditure incurred.

Exploration, Development and Mining Production Activities

During the Year, US\$264.5 million was incurred on development and mining production activities (2024: US\$218.5 million). No material exploration activity was carried out in 2025 and 2024. The following table details the operating and capital expenditures in 2025 and 2024:

US\$m	For the year ended 31 December					
	Operating expenses	2025 Capital expenditure	Total	Operating expenses	2024 Capital expenditure	Total
K&S development	229.7	28.5	258.2	200.4	17.2	217.6
Exploration projects and others	1.2	5.1	6.3	0.8	0.1	0.9
	230.9	33.6	264.5	201.2	17.3	218.5

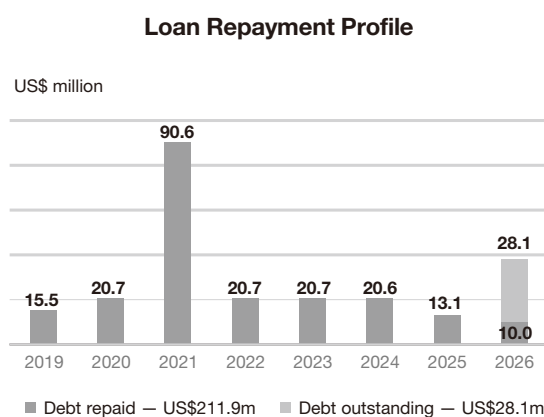
The table below sets out the details of material new contracts and commitments entered into throughout the year 2025 and 2024 on a by-project basis.

US\$m	Nature	For the year ended 31 December	
		2025	2024
K&S	Purchase of property, plant and equipment	2.1	0.9
	Sub-contracting for excavation-related works	2.4	–
Others	Other contracts and commitments	1.0	2.3
		5.5	3.2

RESULTS OF OPERATIONS (CONTINUED...)

Borrowings and Charges

IRC drew down the US\$240 million loan facility in 2019 and up to 31 December 2025, IRC has repaid US\$211.9 million. As of 31 December 2025, the total debt due to MIC amounted to US\$28.1 million (31 December 2024: US\$44.9 million), including the quarterly instalments that were originally due in June 2025, September 2025 and December 2025 totaling US\$14.4 million whose repayment deadline has been extended to March 2026. The repayment profile of the loan as of 31 December 2025 is as follows:



Source: IRC Limited (as of 31 December 2025)

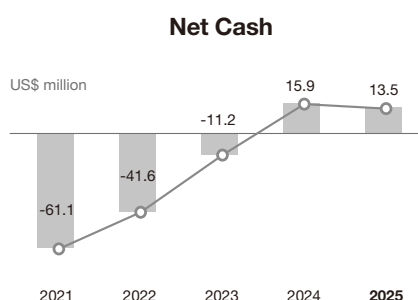
The loan is secured by (i) a charge over the property, plant and equipment with net book value of US\$44.7 million; (ii) 100% equity share of LLC KS GOK, a wholly owned subsidiary of the Group; and (iii) pledge of the rights of certain bank accounts of LLC KS GOK.

After the completion of the rights issue in February 2026, the MIC loan was fully repaid in March 2026.

The interest rate of the MIC loan facility was determined based on Secured Overnight Financing Rate (“SOFR 90”). Interests for the first loan tranche of US\$160 million (of which US\$28.1 million is outstanding as of 31 December 2025) and the second loan tranche of US\$80 million (which has been fully repaid as of 31 December 2025) would be determined based on SOFR 90 + 6.2% per annum and SOFR 90 + 8.2% per annum, respectively. The Group’s weighted average interest rate was 8.30% for the Year (2024: 8.56%). The loan is not subject to guarantee, saving the Group from making guarantee fee payments.

RESULTS OF OPERATIONS (CONTINUED...)

The following graph shows the net cash/net debt position of the Group from 2021 to 2025.



Source: IRC Limited (as of 31 December 2025)

Year	2021	2022	2023	2024	2025
Net cash/(debt) (US\$'m)	(61.1)	(41.6)	(11.2)	15.9	13.5
Net debt to EBITDA ratio	0.36	0.74	0.24	N/A	N/A

As at 31 December 2025, all of the Group's borrowings were denominated in US Dollar. The Group's gearing ratio, calculated based on total borrowing (excluding lease liabilities) divided by total equity, increased to 15.2% (31 December 2024: 14.2%), mainly due to the asset impairments made in 2025 which reduced the equity of the Group.

Lease Liabilities

Lease liabilities increased to US\$13.7 million (31 December 2024: US\$0.2 million) mainly due to the acquisition of certain mining equipment by way of leasing.

Risk of Exchange Rate Fluctuation

The Group undertakes certain transactions denominated in foreign currencies, principally Russian Rouble, and is therefore exposed to exchange rate risk associated with fluctuations in relative values of US Dollars. Exchange rate risks are mitigated to the extent considered necessary by the Board of Directors, primarily by holding the relevant currencies.

As of 31 December 2025, the Group did not have any hedging position for the Russian currency, but may consider entering into foreign exchange hedging contracts if deemed appropriate. It should be noted that the hedging is not speculative in nature and is for risk management purposes.

Significant Investments, Acquisitions and Disposals

Apart from the development of the Sutara Pit and the setting up of K&S's own mining fleet, during the Year, the Group had no significant investments, or major acquisitions and disposal of subsidiaries, associates and joint ventures. The Group does not have any specific future plans for material investment or capital assets as at the date of this annual report apart from the development of the Sutara Pit and the purchase of mining equipment as disclosed.

RESULTS OF OPERATIONS (CONTINUED...)

Employees and Emolument Policies

As at 31 December 2025, the Group had 1,817 employees (2024: 1,670). The increase in headcount is to cater for the operation of K&S's own mining fleet and crushing and screening plant. Total staff costs increased to US\$45.9 million during the Year (2024: US\$32.9 million), reflecting the higher number of headcounts, tight labour market, high Russian inflation, as well as strong Rouble exchange rate, which together raised the cost level in US dollar terms. The emolument policy of the Group is set up by the remuneration committee of the Company and the remuneration is determined on the basis of the merits, qualifications and competence of the employees with regard to market conditions and trends.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any significant contingent liabilities.

KEY PERFORMANCE INDICATORS

A Key Performance Indicator (“KPI”) is a measurable value that demonstrates how effective a company is achieving its key business objectives. IRC uses KPIs at multiple levels to evaluate its success at reaching targets. The following indicators enable management to evaluate IRC’s performance against its strategic and operating plans.

KPI	CONTEXT	2025 DEVELOPMENT	2025 PERFORMANCE												
Safety	Our aim is to create a culture of zero-harm and to adhere to strict safety policies and standards for the safety and well-being of the employees.	In 2025, the lost time due to injuries recorded on site was 1.01 per 1,000,000 man-hours.	Safety – Good level LTIFR <table border="1"> <tr> <th>Year</th> <th>LTIFR</th> </tr> <tr> <td>2025</td> <td>1.01</td> </tr> <tr> <td>2024</td> <td>1.38</td> </tr> </table>	Year	LTIFR	2025	1.01	2024	1.38						
Year	LTIFR														
2025	1.01														
2024	1.38														
Profitability	Profitability focuses on financial performance over medium to long term; EBITDA is a primary and accurate measure of IRC’s success.	The increase in profitability in 2025 was mainly driven by higher production and sales volume, as well as lower costs, achieved despite stronger rouble and lower iron ore price and selling price.	Profitability – Increased mainly due to the higher production volume and costs control Group underlying EBITDA – excluding NRI and FX US\$ million <table border="1"> <tr> <th>Year</th> <th>US\$ million</th> </tr> <tr> <td>2025</td> <td>17.2</td> </tr> <tr> <td>2024</td> <td>9.3</td> </tr> </table>	Year	US\$ million	2025	17.2	2024	9.3						
Year	US\$ million														
2025	17.2														
2024	9.3														
Production	IRC primarily produces high-quality iron ore concentrate, and K&S’s production capacity is critical to the Group’s success.	Access to higher-grade ore from Sutara improved the efficiency of the beneficiation process. Coupled with technical upgrades at the K&S processing plant, operating performance improved significantly and production volume totalled 2,925 thousand tonnes of commercial concentrate	Production – Increased due to higher Sutara ore quality and processing plant upgrades Iron Ore Concentrate Produced thousand tonnes <table border="1"> <tr> <th>Year</th> <th>thousand tonnes</th> </tr> <tr> <td>2025</td> <td>2,925</td> </tr> <tr> <td>2024</td> <td>2,378</td> </tr> </table>	Year	thousand tonnes	2025	2,925	2024	2,378						
Year	thousand tonnes														
2025	2,925														
2024	2,378														
Efficiencies & Cash Cost	“Cash Cost” shows the cost of running a mine to produce a given amount of product. It is a benchmark for operating performance. Cash cost disregards general administration expenses, depreciation and amortisation.	K&S endeavours to keep operating and administrative costs under strict control. The Group’s cash cost decreased by 9.8% to US\$77.6 per tonne in 2025, mainly due to higher ore quality and upgrades at the processing plant.	Cash Cost – Stringent cost management Cash Cost Per Tonne US\$ <table border="1"> <tr> <th>Year</th> <th>US\$</th> </tr> <tr> <td>2025</td> <td>77.6</td> </tr> <tr> <td>2024</td> <td>86.0</td> </tr> </table>	Year	US\$	2025	77.6	2024	86.0						
Year	US\$														
2025	77.6														
2024	86.0														
Administrative Overheads	Administrative overheads measure the costs of supporting units for the business to carry out profit making activities.	General administration expenses before depreciation decreased by 5.6%.	Administrative Overheads – Stringent control General Administration Expenses excluding Depreciation US\$ million <table border="1"> <tr> <th>Year</th> <th>US\$ million</th> </tr> <tr> <td>2025</td> <td>9.6</td> </tr> <tr> <td>2024</td> <td>10.2</td> </tr> </table>	Year	US\$ million	2025	9.6	2024	10.2						
Year	US\$ million														
2025	9.6														
2024	10.2														
Exploration & Development	Our exploration programmes aim to add value through the discovery of new resources, and to increase and confirm the mineable reserves.	No significant exploration activity was carried out during 2025.	Exploration & Development – Abundant resources and reserves base Reserves million tonnes <table border="1"> <tr> <th>Year</th> <th>million tonnes</th> </tr> <tr> <td>2025</td> <td>331</td> </tr> <tr> <td>2024</td> <td>340</td> </tr> </table> Resources <table border="1"> <tr> <th>Year</th> <th>million tonnes</th> </tr> <tr> <td>2025</td> <td>811</td> </tr> <tr> <td>2024</td> <td>1,114</td> </tr> </table>	Year	million tonnes	2025	331	2024	340	Year	million tonnes	2025	811	2024	1,114
Year	million tonnes														
2025	331														
2024	340														
Year	million tonnes														
2025	811														
2024	1,114														
ESG & Community	ESG is measured by adhering to the legislation and best practices in the jurisdictions and the community in which IRC operates.	In 2025, IRC continued to operate adhering to high ESG standards.	Extensive ESG statistics are given in the Environmental, Social and Governance section.												

KEY PERFORMANCE INDICATORS (CONTINUED...)

	2024 PERFORMANCE	FUTURE OPPORTUNITIES
Compared to 2024, the Group's lost time injury frequency rate (LTIFR) decreased in 2025 from 1.38 to 1.01. The improvement reflects the continued implementation of occupational health and safety measures across the Group. In 2025, the Group's LTIFR was broadly in line with the average level of the steel industry. No fatal accidents were recorded during the reporting period.	In 2024, the lost time due to injuries recorded on site was 1.38 per 1,000,000 man-hours. The Group has had one fatal accident in 2024, the first time for the past five years.	IRC will endeavour to improve high safety standards and adopt a zero-harm policy throughout its operations. Educational programmes for employees and contractors will continue to be conducted in order to provide them with the relevant safety knowledge.
The Group's underlying EBITDA, excluding non-recurring items and foreign exchange, increased to US\$17.2 million (2024: US\$9.3 million). Underlying loss improved to US\$3.4 million (2024: US\$15.4 million).	The Group's underlying EBITDA, excluding non-recurring items and foreign exchange, decreased in 2024 compared to 2023 mainly due to lower production and sales volume, weaker iron ore price and selling price, and higher production cost.	There are options for the expansion of K&S to increase production volume for economies of scale. Financial performance is improving as the mining at the Sutara pit is ramping up to become fully operational.
In 2025, production and sales volumes increased by 23.0% and 25.0% respectively over the previous year.	In the first half of 2024, while Sutara was not yet operational, Kimkan production was limited by quality ore supply, which was later resolved in the second half of 2024 when mining started at the Sutara deposit. This situation resulted in 2024 production volume being lower than that in 2023.	K&S will continue to work on increasing the operating efficiency.
The decrease of unit cash costs per tonne of concentrate was mainly driven by the 25.0% increase in sales volume and a significant 24.4% reduction in mining costs, mainly due to the lower stripping ratio at Sutara. The positive effects were partly offset by the ongoing appreciation of the Russian Rouble against US dollar and strong inflation.	In 2024, unit cash costs increased due to lower ore grade as well as the introduction of the Temporary Export Duties in the fourth quarter of 2023. The high inflation in Russia also led to a general increase in cost, outweighing the positive impact of Rouble depreciation.	The weakness of Rouble can benefit IRC's production cash cost, as its operating costs are mainly denominated in Rouble.
General administration expenses before depreciation in 2025 were US\$9.6 million compared to US\$10.2 million in 2024.	General administration expenses before depreciation in 2024 were 3.3% higher than the previous year.	The Group will continue to carry out tight cost saving measures to minimise the administrative overheads.
In 2025, K&S reserves and resources decreased in line with the depletion of the Kimkan and Sutara deposits. In addition, Group resources decreased by 293 million tonnes as Bolshoi Seym licence was revoked.	The Group has been focusing on developing Sutara project. No significant exploration activity was carried out during 2024.	Currently there are no exploration and development activities planned for the nearest future. Exploration works may resume after strategic evaluation.
	The integrated Environmental Management System ("EMS") allows IRC to reduce its environmental impact.	The Group will continue its efforts to reduce energy consumption and water usage, control air pollution and apply waste management measures.

PROJECT REVIEW

K&S

100% owned



Key facts:

65%

Fe grade (concentrate)

3.2Mtpa

Production capacity

10Mtpa

Ore process capacity

240km

To Chinese border

552Mt

Total resources

304Mt

Total reserves

30 years +

Mine life

OVERVIEW

K&S, wholly owned by IRC, is located in the Jewish Autonomous Region (EAO) of the Russian Far East. It is the Group’s second full-scale mining and processing operation. The project comprises two primary deposits, Kimkan and Sutara. The K&S Phase I is designed to produce 3.2 million tonnes of iron ore concentrate annually, with a grade of 65% Fe. According to the development timeline for the K&S Phase I project, mining at the Sutara deposit will commence in parallel with Kimkan in 2024, with Sutara’s mine life exceeding 30 years. There is an option for a Phase II expansion to increase production to a total of 6.3 million tonnes of 65% iron ore concentrate per annum. As an interim development between the two phases, IRC is evaluating an option to upgrade the Phase I production facility to boost capacity to approximately 4.6 million tonnes per annum.

K&S benefits from a strong geographical advantage. The mine site is directly connected to the Trans-Siberian Railway, enabling efficient product delivery to customers. The opening of the Amur River Bridge in 2022 has further reduced shipping distances for IRC and its customers.

K&S’s operations are located 4 kilometres from the town of Izvestkovaya and its railway station, which lies on the Trans-Siberian Railway. The site is also accessible via a federal highway, situated 130 kilometres from the regional capital, Birobidzhan, and 300 kilometres from Khabarovsk, the principal city of the Russian Far East.

OPERATIONAL PERFORMANCE IN 2025

K&S advanced the development of the Sutara deposit throughout 2025, steadily increasing its contribution to overall mining volume. As a result, Sutara ore became the predominant feedstock for the main processing plant, while the share of ore sourced from the Kimkan deposit continued to decline in line with the planned transition to Sutara. A key milestone was achieved in December 2025 with the commencement of trial production at the new crushing plant located directly at the Sutara site. This facility is designed to reduce transportation costs associated with hauling Sutara ore to the main processing complex at Kimkan, thereby improving operational efficiency.

K&S operated at the average capacity of approximately 93% in 2025, compared to 75% capacity in 2024. Production volume was 23% higher than that of the previous year, whereas sales were 25% higher.

PROJECT REVIEW (CONTINUED...)

SALES AND MARKETING

During 2025, K&S continued using the Amur River Bridge for railway shipments to the Chinese customers. During the year, approximately 1.8 million tonnes of concentrate (approximately 63% of total) were shipped via the bridge.

Seaborne sales continued to be suspended due to the volatile operating environment which makes such sales uneconomical.

SUTARA PIT

Mining operation at the Sutara deposit, which is situated approximately 15 km south-south-west of Kimkan, commenced in July 2024. Sutara is providing iron ore material to the processing plant and extend the mine life as Kimkan deposit approaches depletion. The results of using the Sutara ore in the second part of 2024 and in 2025 confirmed the ore quality and its iron beneficiation properties. In 2025, Sutara ore constituted 89% of the total volume of ore mined during the year.

In December 2025, the new crushing plant situated at the Sutara deposit started trial production. With the new crushing plant commissioned, a product of dry magnetic separation will be shipped to Kimkan instead of raw ore, reducing the transportation volume by approximately 20%.

MINING

At the end of 2025, K&S started exploitation of own mining fleet consisting of two excavators and 11 trucks. Total amount of rock mass excavated and hauled using K&S's own mining fleet in 2025 was approximately 1,111,300 cubic metres, which is approximately 8% of the total volume of rock mass moved. In 2026, share of mining works will increase.

During the reporting period, a total of 13,672,700 cubic metres of rock mass was moved, which represents a 24% decrease from the previous year (2024: 18,097,800 cubic metres). This includes 9,392,500 tonnes of ore, a 2% decrease in tonnage compared to 2024 (2024: 9,570,900 tonnes). Stripping ratio (ratio of the volume of overburden that must be removed to the tonnage of ore mined) decreased by approximately 27% in 2025 compared to 2024.

PRODUCTION

During the year, 9,392,500 tonnes of ore were fed to primary processing, 9.4% more than that in 2024 (2024: 8,583,800 tonnes). 6,940,734 tonnes of pre-concentrate were produced at the Kimkan crushing and screening plant, a 15% increase compared to 2024 (2024: 6,010,820 tonnes). Commercial iron ore concentrate production volume in 2025 of 2,925,373 tonnes was 23% higher than that in 2024 (2024: 2,377,519 tonnes).

UNIT CASH COST

Despite inflation in Russia and stronger rouble exchange rate in 2025, K&S unit cash cost per wet metric tonne of commercial concentrate totalled US\$77.6 (2024: US\$86.0), representing a decrease of 9.8%. This is mainly due to the higher grade of ore from the Sutara deposit and increased operating efficiency of the processing plant.

SAFETY

Lost Time Injury Frequency Rate (LTIFR) represents the number of lost-time injuries per one million man-hours worked. During the reporting period, K&S recorded 3 lost-time injuries (2024: 4 injuries, including 1 fatal accident). LTIFR at K&S decreased to 1.08 in 2025, compared to 1.47 in 2024. At the Group level, LTIFR also improved, declining from 1.38 in 2024 to 1.01 in 2025, which is broadly in line with the average level of the steel industry. No fatal accidents were recorded in 2025.

K&S remains committed to further improving its occupational health and safety performance and reducing LTIFR.

IMPACT OF SANCTIONS AGAINST RUSSIA

IRC is listed on the Hong Kong Stock Exchange and operates mines in the Russian Far East. Most of the Group's suppliers and customers are based in China and Russia. The Company continues to evaluate the potential impact of UK, EU, and US sanctions. As of now, and to the best of the Board's knowledge based on current assessments and available information, the sanctions have no material direct impact on the Group or its operations. Although the Group's operations and activities in Russia and elsewhere continue as usual, the evolving geopolitical situation poses a risk of supply chain disruptions affecting K&S's operations. IRC will continue to monitor sanctions developments closely and will issue further announcements if necessary.

PROJECT REVIEW (CONTINUED...)

Garinskoye

99.76% owned



Key facts:

68%

Fe grade

>3,500km²

Total iron ore licence area

4.6Mtpa

Fe production capacity

260Mt

Total resources

26Mt

Total reserves

20 years +

Mine life

OVERVIEW

Garinskoye, 99.76% owned by IRC, is an advanced exploration project. The project provides an opportunity for a low-cost DSO-style operation that can be transformed into a large-scale and long-life open pit mining operation.

The project is located in the Amur Region of the Russian Far East, midway between the BAM and Trans-Siberian Railways. With exploration licences for ground covering an area of over 3,500 km², the project is the largest in the IRC portfolio in terms of area.

FUTURE DEVELOPMENT

There are two possibilities to develop Garinskoye. The first option is to develop a large-scale 4.6 million tonnes per annum open-pit operation with a life-of-mine of 20 plus years, which requires the construction of a rail connection. The second option is an intermediate DSO-style operation that does not require a rail connection and can be started in advance of a larger conventional operation. The DSO-style plan comprises a pit with a reserve of 26.2 million tonnes, a grade of 47% Fe, and a stripping ratio of 1.7:1 m³ per tonne. The DSO-style plan would then be able to produce 1.9 million tonnes

per annum, with 55% grade iron ore fines and a life of operation of 8 years. There is an option to further increase the project value at very little additional capital expenditure by adding a further wet magnetic separation stage to produce a high-grade “super-concentrate” with a 68% iron ore content.

In 2013, IRC conducted an internal Bankable Feasibility Study. A third-party verification and a fatal flaws analysis for the DSO-style operation was carried out in 2014.

The Company is currently reviewing the options on how to move the project forward.

Other Projects

The Group's other projects include a Steel Slag Reprocessing Plant (SRP), which was disposed of during 2025, and a mining consultancy services agency (Giproruda).

The SRP project, a joint venture with Jianlong Steel, originally sourced the feedstock from Kuranakh, and as Kuranakh was moved to care and maintenance in 2016, and then liquidated in 2021, the plant successfully switched to the local Chinese feedstock. Due to the relatively small scale of the project, SRP's contribution to the Group results had been not material. On 28 July 2025, the Group entered into an Equity Transfer Agreement, pursuant to which the Group agreed to sell and Xianglong, a subsidiary of Jianlong Steel, agreed to purchase the Group's 46% of the equity interest in the JV Company at a consideration of RMB32.2 million (equivalent to approximately US\$4.5 million). The Group ceased to have any equity interest in the SRP project.

Below is a summary of the current portfolio of the other projects of the Group as of 31 December 2025:

Project	Products/Service	Location
Giproruda (70% owned)	Technical mining research	St. Peterburg, Russia

MINERAL RESOURCES AND ORE RESERVES STATEMENT

EXPLORATION OVERVIEW

IRC geologists explore prospective areas, confirming historical exploration results and existing mineable reserves. This mitigates risks during mining operations and reduces mining and processing costs. Data collected during exploration helps to develop strategies, business concepts and optimise mine models.

OPERATIONS

Over 2025, no material exploration activities were carried out. Changes in resources and reserves were mainly due to the commercial production activities and Kimkan geology information being updated with actual ore grades and processing plant performance level achieved. In the light of these changes, the Group's resources and reserves as at 31 December 2025 are as follows:

31 December 2025		
IRON ORE	RESOURCES	811.3 million tonnes
		32.5% Fe
	RESERVES	330.5 million tonnes
		30.7% Fe

What is a Mineral Resource?

"Mineral Resource" is a concentration or occurrence of solid material of economic interest in or on the earth's crust in such a form, grade (or quality) and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted on the basis of specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order to increase geological confidence, into Inferred, Indicated and Measured categories.

What is an Ore Reserve?

Ore Reserves are those portions of Mineral Resources which, following the application of all Modifying Factors, result in an estimated tonnage and grade which, in the opinion of the Competent Person making the estimates, can be the basis of a technically and economically viable project, after taking into account of material relevant Modifying Factors. Ore Reserves are reported as inclusive of marginally economic material and diluting material delivered for treatment or shipped from the mine without treatment.

MINERAL RESOURCES AND ORE RESERVES STATEMENT (CONTINUED...)

The table below details the Group's Mineral Resources and Ore Reserves as at 31 December 2025 (after application of geological losses). All figures are prepared in accordance with the guidelines of the JORC Code (2012) for a consistent basis of presentation. On the following pages, a further breakdown by project is available detailing cut-off grades and changes during 2025. Rounding-off of numbers may result in minor computational discrepancies. Where this occurs, such discrepancies are deemed to be insignificant.

Resources Summary

Project	Category	Tonnage Mt	Fe Grade %	Fe Mt
RESOURCES				
K&S	Measured	16.3	31.1%	5.1
	Indicated	288.9	31.3%	90.5
	Inferred	246.6	31.9%	78.7
	Total	551.8	31.6%	174.2
Garinskoye	Measured	–	–	–
	Indicated	210.9	35.5%	74.9
	Inferred	48.6	30.9%	15.0
	Total	259.5	34.6%	89.9
Group	Total Measured	16.3	31.1%	5.1
	Total Indicated	499.8	33.1%	165.3
	Total Inferred	295.2	31.7%	93.7
	Total	811.3	32.5%	264.1

MINERAL RESOURCES AND ORE RESERVES STATEMENT (CONTINUED...)

Reserves Summary

Project	Category	Tonnage Mt	Fe Grade %	Fe Mt
RESERVES				
K&S	Proven	17.0	29.2%	5.0
	Probable	287.4	29.3%	86.8
	Total	304.3	29.3%	91.9
Garinskoye	Proven	–	–	–
	Probable	26.2	46.9%	12.3
	Total	26.2	46.9%	12.3
Group	Total Proven	17.0	29.3%	5.0
	Total Probable	313.6	30.8%	96.5
	Total	330.5	30.7%	101.5

Kimkan and Sutara

Kimkan and Sutara (K&S) is a large magnetite project located in the Obluchenskoye District of the EAO in the Russian Far East. The project consists of two principal deposits – Kimkan and Sutara. To date, all of the necessary exploration activities as well as confirmation drilling have been completed in all areas.

Mining plan of K&S is based on the technical design documents approved by the State authorities. Substantial mining activities began on the Kimkan deposit in 2013, whereas mining of the Sutara deposit started in July 2024. K&S's total resources and reserves decreased in 2025 due to the production activities.

MINERAL RESOURCES AND ORE RESERVES STATEMENT (CONTINUED...)

The breakdown of mineral resources and ore reserves for K&S is described in the table below:

K&S Mineral Resources & Ore Reserves

	Tonnage Mt	Fe Grade %	Fe Mt
Resources			
Measured	16.3	31.1%	5.1
Indicated	288.9	31.3%	90.5
Inferred	246.6	31.9%	78.7
Total	551.8	31.6%	174.2
Reserves			
Proven	17.0	29.2%	5.0
Probable	287.4	29.3%	84.2
Total	304.3	29.3%	89.2

Assumed Kimkan & Sutara Fe magnetite average cut-off grade: 15%.

MINERAL RESOURCES AND ORE RESERVES STATEMENT (CONTINUED...)

Garinskoye

Garinskoye Deposit is one of the few large iron ore deposits in the Russian Far East that was explored and studied extensively during the Soviet era. It is located in the Mazanovsky Administrative District, in the Amur Region and situated approximately 300 km from the regional capital of Blagoveschensk.

The deposit was first discovered in 1949 through an aeromagnetic anomaly. Detailed exploration, including pits, trenches, shafts and underground development, together with drill holes were carried out between 1950 and 1958. The dominant form of mineralisation is magnetite, which sees a shift to martite within the oxidation zone. Magnetite ores can be classified into three types of iron grade:

1. High grade at above >50% Fe – sub-divided into low and high phosphorus
2. Average grade from 20% to 50% Fe
3. Low grade from 15% to 20% Fe

Current geological exploration works has been conducted at Garinskoye since 2007. No new exploration was carried out in 2025. The resources and reserves of Garinskoye have been prepared on the basis of a new set of estimates based on revised geological surveys and a feasibility study in 2015. As no exploration has been carried out and based on last year's iron ore prices as assumptions, the resources and reserves of Garinskoye remained the same in 2025 compared to 2024.

The following table details the resources and reserves of Garinskoye:

Garinskoye Mineral Resources & Ore Reserves

	Tonnage Mt	Fe Grade %	Fe Mt
Resources			
Measured	–	–	–
Indicated	210.9	35.5%	74.9
Inferred	48.6	30.9%	15.0
Total	259.5	34.6%	89.9
Reserves			
Proven	–	–	–
Probable	26.2	46.9%	12.3
Total	26.2	46.9%	12.3

Assumed Garinskoye Fe magnetite average cut-off grade: 9%.

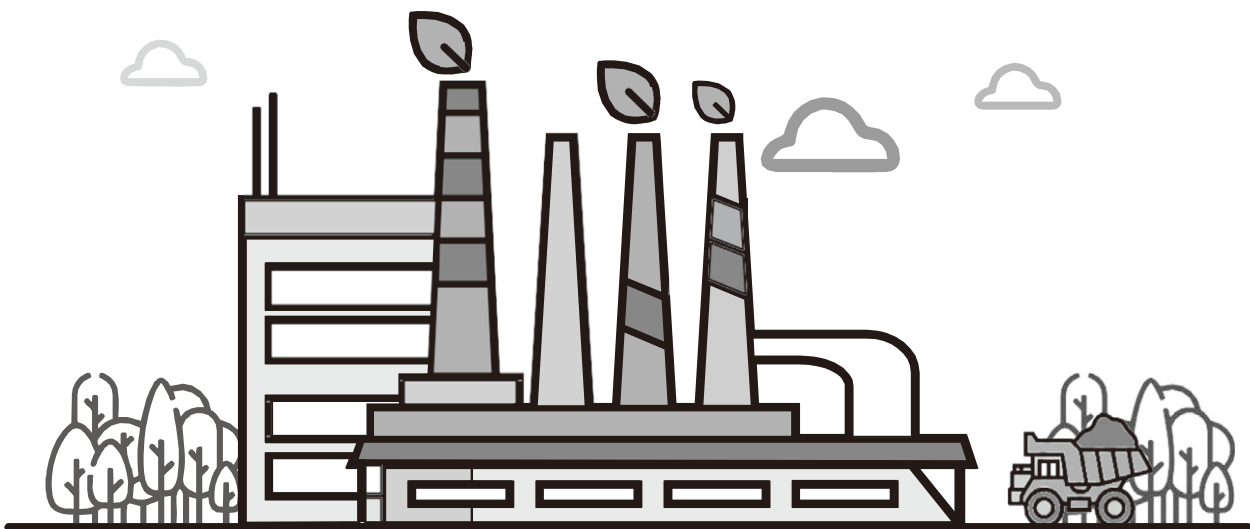
ENVIRONMENTAL, SOCIAL AND GOVERNANCE

INTRODUCTION

IRC is conscious of its Environmental, Social and Governance (“ESG”) responsibilities. They are a core consideration at every stage of our business, not just in the day-to-day mining and processing operations, but also through all our functions from exploration to logistics and administration. This also includes the communities where we operate, as well as the wider communities of the Amur and Jewish Autonomous regions of the Russian Far East. ESG matters that the IRC’s stakeholders rate as priorities are tracked through the annual stakeholder engagement activities. The outcomes of the activities are incorporated into the company’s ESG strategies and programmes.

The Board reviews progress made against ESG-related goals and targets on a regular basis. The goals and targets set out in this ESG report are reviewed, and re-assessed, at least annually by the Board.

IRC is the first and the only pure-play iron ore operator in the Russian Far East, as well as the first iron ore mining company in the Amur and Jewish Autonomous regions to be certified for compliance with international standard ISO 14001:2004. Since 2011, policies and strategies have been derived from the Health, Safety and Environment (“HSE”) Committee of the Board. The Executive Committee designated HSE teams to Moscow, Birobidzhan and the operating site to oversee the implementation. The HSE teams report to the HSE Committee and the HSE Committee reports to the Board. The HSE Committee, the Executive Committee and the local HSE teams are the Group’s initial line of defence in evaluating, prioritising and managing environmental and social related issues. The Audit Committee, the Executive Committee, together with the Group’s internal audit function, are the Group’s initial line of defence in evaluating, prioritising and managing governance related issues. All material matters are escalated to the Board for the Board to evaluate, prioritise and manage such matters.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

Disclosure of the Company's ESG activities is a priority for management. ESG matters are included in the agenda of the Board meetings on an annual basis. Each year the Company sets specific objectives and deadlines for their implementation. In order to assess the performance, the Company monitors its progress against these targets and deadlines, involving all stakeholders in the process. As a result of quantitative and qualitative evaluation, the Board makes overall assessment of the effectiveness of the implementation of the set goals and objectives in the area of ESG during the reporting period.

The Board is accountable for the overall responsibility for the Group's ESG policies and strategies and overseeing and managing the Group's ESG related issues. IRC's ESG management approach and strategy is to run its business in an ethically, socially and environmentally responsible manner, supporting the communities the Group serves.

IRC is one of the largest financial contributors to the local economy in the Jewish Autonomous Region.

REPORTING SCOPE AND BOUNDARY

This ESG report is prepared in accordance with the Environmental, Social and Governance Reporting Guide ("ESG Guide") as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This ESG report covers the period from 1 January 2025 to 31 December 2025, unless otherwise specified. The information disclosed in this report covers the principal business of the Group, being the production and development of industrial commodities products.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

The four reporting principles of the ESG Guide, namely the “Materiality”, “Quantitative”, “Balance” and “Consistency” principles have been applied in the preparation of this ESG report:

1. **Materiality:** The ESG Report is prepared taking into account the stakeholders’ opinions, sustainable development context and the need to provide complete, accurate data comparable to the results of the previous years. Significant topics are identified in accordance with the methodologies and procedures set out in the Company’s Corporate Stakeholder Engagement Framework and the Communications in Environmental Management System standard. This ESG report reflects material ESG issues identified through annual materiality assessments conducted by the Executive Committee. The materiality of ESG issues have been reviewed by the Board.
2. **Quantitative:** This ESG report presents quantitative information and key performance indicators. Information on the standards, methodologies, assumptions and calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption has disclosed on the page 53.
3. **Balance:** This ESG report discloses an unbiased picture of the Group’s performance.
4. **Consistency:** This ESG report adopts consistent methodologies to allow a fair comparison of the Group’s performance over time. There is no change in the methodologies and key performance indicators used in which relevant data were collected and compiled between this ESG Report and the ESG report prepared for the year ended 31 December 2024.

SUSTAINABLE DEVELOPMENT POLICY

IRC’s operations provide thousands of people with jobs and business opportunities. The Company’s operations stimulate the Russian Far East’s economic growth and have thus become an important part of the local economic fabric.

The core constituents of IRC’s sustainable development policy are:

1. The provision of safe and healthy working condition;
2. The rational use of natural resources; and
3. The preservation of a favourable environment for future generations.

HEALTH, SAFETY AND ENVIRONMENT COMMITTEE

As at 31 December 2025, the HSE Committee consists of three Independent Non-Executive Directors – Natalia Klimentievna Ozhegina (Chairman), Vitaly Georgievich Sheremet and Alexey Mihailovich Romanenko, and is responsible for evaluating the effectiveness of the Group's policies and systems in identifying and managing HSE risks (including climate-related risks) within the Group's operations and ensuring compliance with HSE regulatory requirements. The Committee also assesses the performance of the Group with regards to the impact of health, safety, environmental and community relations, decisions and actions. For details of the committee, please refer to page 101 of this report.



Natalia Klimentievna Ozhegina
Chairman of HSE committee



Vitaly Georgievich Sheremet
Member of HSE committee



Alexey Mihailovich Romanenko
Member of HSE committee

EMPLOYEES – HEALTH & SAFETY

IRC projects include mines and processing plants in some harsh climatic conditions in the Russian Far East. Our K&S mine is open-pit and highly mechanised.

As of 31 December 2025, the Group employed 1,817 employees, with a male-to-female ratio of 72% to 28%. In addition to the Group's employees, 785 personnel from external contractors were engaged at the Group's operations.

The Group employs people not only from the Russian Far East, but also from other regions of Russia and the Commonwealth of Independent States ("CIS"), and participates in the state programme of compatriots resettlement. The programme provides preferential conditions for gaining citizenship as well as the reimbursement of relocation costs.

	2025	2024	2023	2022	2021
Total employees, of which:	1,817	1,670	1,636	1,804	1,767
– Full-time, incl. temporary contractors	1,793	1,640	1,604	1,777	1,742
– Part-time	24	30	32	27	25
Female Ratio, %	28	30	31	30	30
Temporary contractors	27	46	43	37	23

Number of full-time employees includes temporary contractors who replace full-time employees during their leave of absence.

Most employees have permanent employment contracts and work full-time. Discrimination on gender is not tolerated in the Group. When it comes to hiring, equal opportunities for men and women are prioritised.

Personnel characteristics

The total number of employees in the Group at the end of 2025 was 1,817, up 8.8% from the previous year, including 1,360 workers (74.8%), 299 specialists (16.5%), and 158 senior management staff (8.7%).

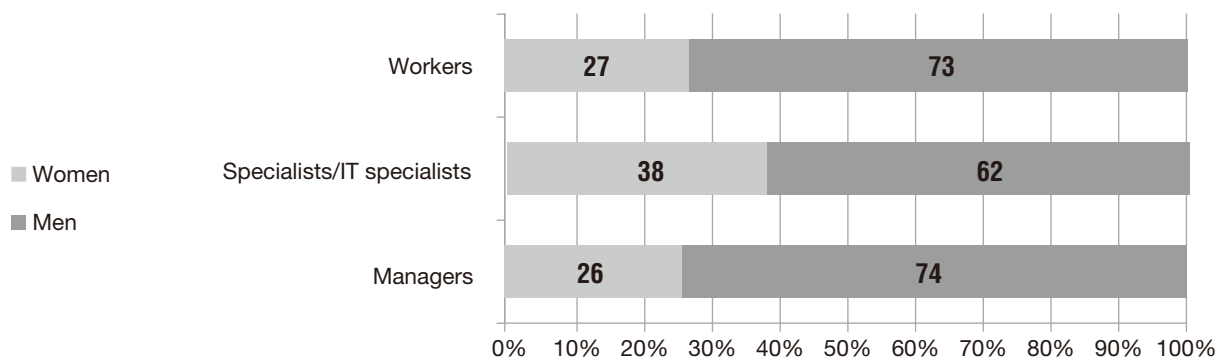
The following table shows the gender distribution of IRC employees by job type and age in the respective years:

Indicator	Unit	2025	2024	2023	2022	2021
Men						
		1,301	1,171	1,128	1,268	1,242
Senior managers	person	117	100	85	100	190
Specialists/IT specialists	person	186	192	211	205	125
Workers	person	998	879	832	963	927
– Up to 30 years old	person	178	201	178	183	205
– 30 to 40 years old	person	302	276	287	301	332
– 40 to 50 years old	person	394	357	337	410	349
– 50 years and older	person	427	337	326	374	356
Women						
		516	499	508	536	525
Senior managers	person	41	37	31	34	40
Specialists/IT specialists	person	113	134	140	145	153
Workers	person	362	328	337	357	332
– Up to 30 years old	person	68	73	82	76	82
– 30 to 40 years old	person	93	106	117	118	142
– 40 to 50 years old	person	172	180	176	187	164
– 50 years and older	person	183	140	133	155	137

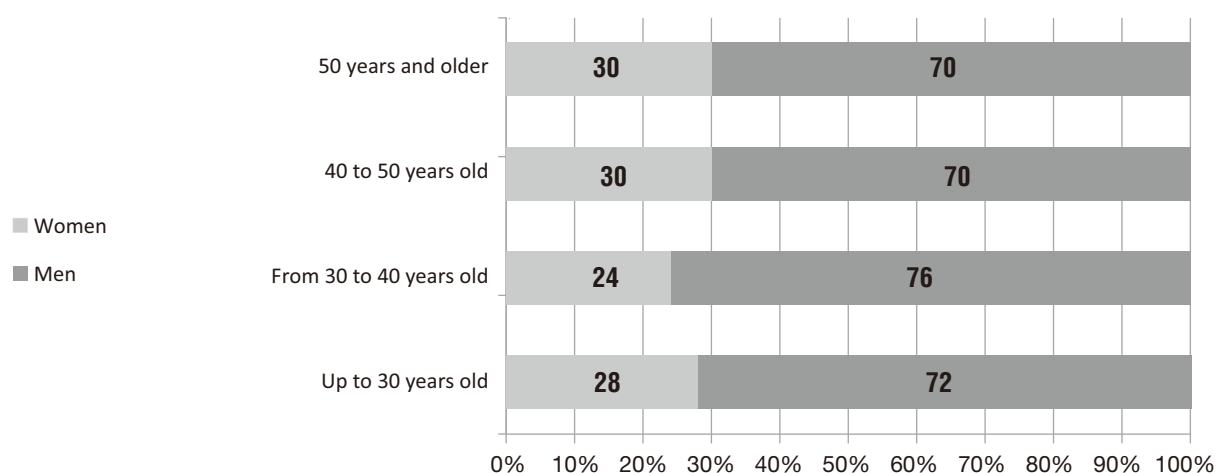


ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

Distribution of IRC employees by gender and category in 2025:



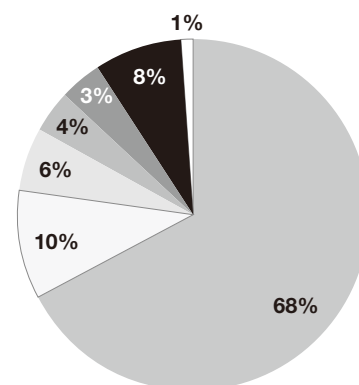
Distribution of IRC employees by gender and age in 2025:



Distribution of IRC employees by region in 2025:

Region	Number of employees
Jewish Autonomous Region (JAR)	1,232
– Birobidzhan	374
– Obluchensky district	758
– Other districts of JAR	100
The Amur Region	176
The Zabaikalye Territory	118
The Primorye Territory	71
The Khabarovsk Territory	68
Other regions of Russia	138
Outside of Russia	14
Total	1,817

- Jewish Autonomous Region
- The Amur Region
- The Zabaikalye Territory
- The Primorye Territory
- The Khabarovsk Territory
- Other regions of Russia
- Outside of Russia



Employees turnover

In 2025, the Company ensured workforce stability while expanding its production capacity. The employee turnover rate stood at 18.7%, broadly in line with the mining industry average and close to its upper range. A total of 340 employees left the Group during the year. Compared to 2024, the turnover rate decreased by 3 percentage point despite the total number of employees increasing by 8.8% year-on-year. Regional demand for qualified personnel in the mining and processing sector continues to influence labour mobility in the Obluchensky district.

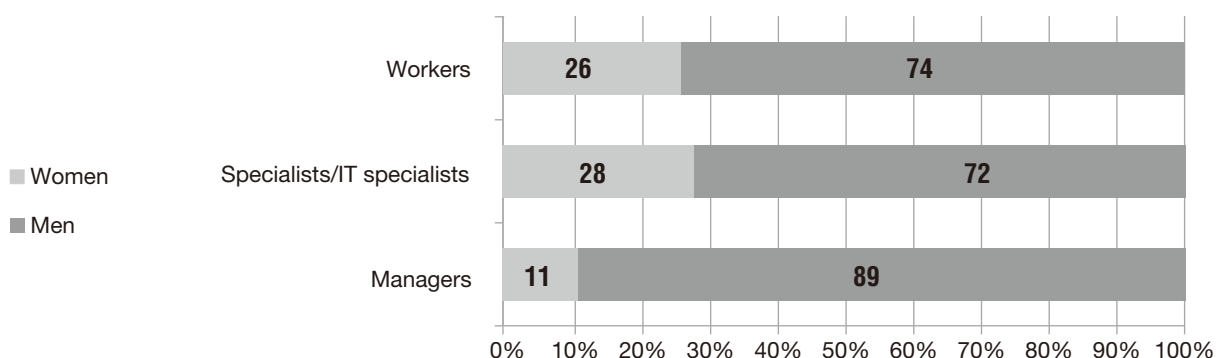
Staff turnover is calculated as the ratio of the number of employees dismissed under Article 77.3, 6, 7, 9 of the Labour Code of the Russian Federation to the average headcount.

The Company implemented a comprehensive set of measures aimed at improving working conditions, increasing wages (through multiple indexed adjustments based on a differentiated approach), and expanding the social benefits package to enhance the enterprise’s attractiveness. These efforts resulted in reduced staff turnover and stabilized workforce numbers at the Company in 2025.

The following table shows the distribution of IRC employees turnover by gender, age and region in the respective years:

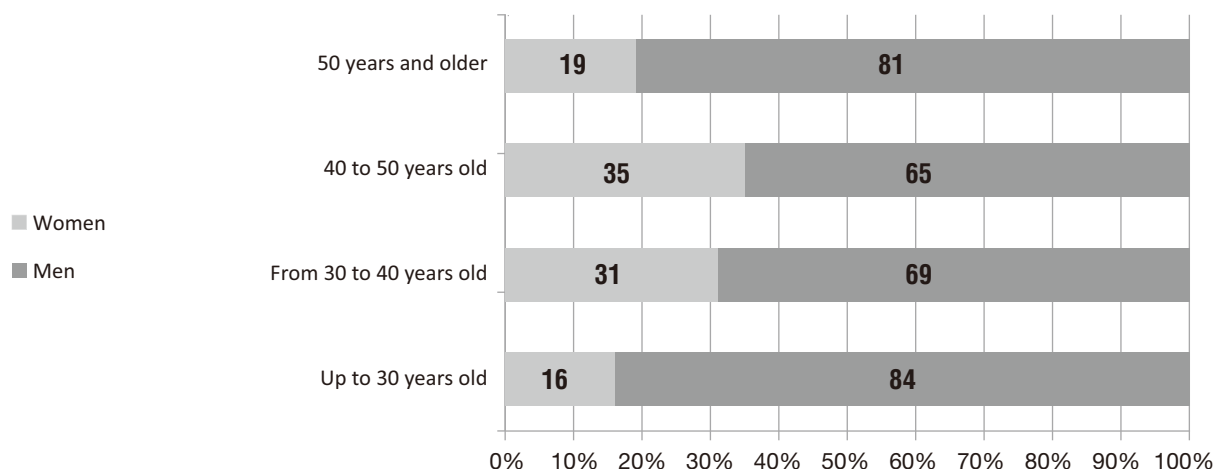
Indicator	Unit	2025	2024	2023	2022	2021
Men		252	246	361	283	215
Senior managers	person	8	9	11	24	–
Specialists/IT specialists	person	49	35	29	32	–
Workers	person	195	202	321	227	–
– Up to 30 years old	person	38	94	128	90	85
– 30 to 40 years old	person	66	53	89	60	44
– 40 to 50 years old	person	52	71	79	64	41
– 50 years and older	person	96	28	65	69	45
Women		88	76	87	88	86
Senior managers	person	1	1	3	2	–
Specialists/IT specialists	person	19	13	15	20	–
Workers	person	68	62	69	66	–
– Up to 30 years old	person	7	32	27	33	35
– 30 to 40 years old	person	30	13	15	24	21
– 40 to 50 years old	person	28	14	14	12	15
– 50 years and older	person	23	17	31	19	15

Distribution of IRC employees turnover by gender and category in 2025:



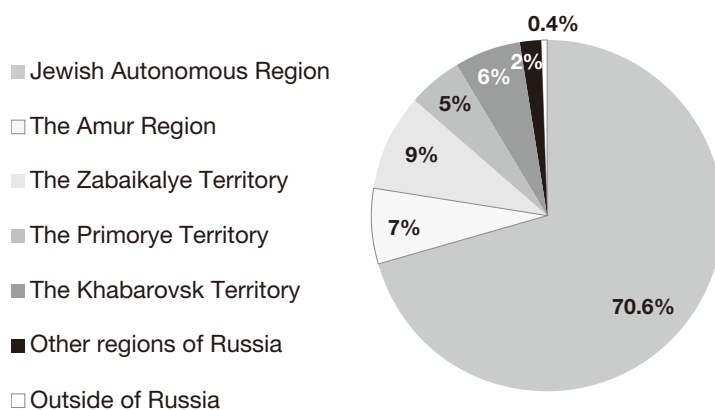
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

Distribution of IRC employees turnover by gender and age in 2025:



Distribution of IRC employee turnover by region in 2025:

Region	Number of employees
Jewish Autonomous Region (EAO)	240
– Birobidzhan	45
– Obluchensky district	179
– Other districts of EAO	16
The Amur Region	23
The Zabaikalye Territory	31
The Primorye Territory	16
The Khabarovsk Territory	21
Other regions of Russia	8
Outside of Russia	1
Total	340



Analysis of the labour productivity

Production volume in the year of 2025 increased by 23% compared to the year of 2024 and amounted to 2,925,373 tonnes of iron ore concentrate.

Indicator	Unit	2025	2024	2023	2022	2021	Efficiency % in 2025, YoY Increase
Production volume	t	2,925,373	2,377,519	2,466,829	2,569,845	2,557,794	23.0
Number of workers	person	1,817	1,670	1,636	1,804	1,767	8.8
Labour productivity	t/person	1,610	1,424	1,508	1,425	1,447	13.1

According to the results of the analysis, labour productivity increased by 13.1% in 2025 compared to 2024. The growth was primarily driven by the increase in iron ore concentrate production volumes, which outpaced the growth in the number of employees. This indicates improved operational efficiency and more effective utilisation of the Company's workforce.

The following measures are taken to improve operational efficiency and labor productivity, achieve high production results and retain highly qualified personnel in the company:

1. Revision of salaries:

- Indexation (15%);
- Targeted revisions (revision of hourly wage rates taking into account the work scope and equipment capacity);
- Differentiated salary revisions (the salary increase percentage for each employee is determined individually depending on the ratio of the current salary to the market and assessment of his/her personal performance).

2. Revision of compensation payments:

- Increase in the amount of meals compensation (6%);
- The amount of compensation for summer travel was actualized to take into account seasonal changes in Russian Railways tariffs.

3. Annual financial aid:

- Social support payments allocated under specific cost categories are disbursed in accordance with the Company's internal policies and procedures, and within the financial resources budgeted for the reporting year, to ensure targeted assistance for employees.

The measures implemented during the year contributed to:

- a reduction in employee turnover;
- stabilization of workforce levels;
- reinforcement of socio-economic sustainability in the region of operation;
- increased attractiveness of the Company for qualified specialists.

Employment Mission and Vision

People are the decisive factor for the Group's success. Attracting and developing talented and motivated employees who share the corporate values of the Group is the most important factor for the Group's success. IRC creates jobs in the region in which it operates, provides competitive wages and a safe working environment, and pursues a balanced social policy. The principle of equality and non-discrimination is applied to recruitment and remuneration of employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

Our Group's main principles in the field of labour relations are:

- Creation of opportunities for the professional and personal growth of employees;
- Encourage all employees to reach their full potential;
- High productivity of labour with full compliance with safety requirements;
- Substantive reward system to encourage high-productivity work;
- Relations between employer and employees are based on the principles of social partnership and mutual responsibility;
- Creating a culture in the workplace that stimulates a high level of achievement.

Training & Development

Efficiency in production largely depends on the qualifications of workers, their professional and personal skills. The corporate training system focuses on the Group's strategic plans and needs for staff with certain qualifications and necessary competencies. Training programmes are a tool for improving productivity, quality and safety, as well as minimising the risks associated with the activities of unskilled employees.

The Group uses a variety of methods to train specialists and workers, including full-time training in state educational institutions and private centres, corporate training programmes, internships and on-site training.

The Group has established a training centre to provide professional training to its employees. The Centre holds a vocational training license issued by the Education Committee of the EAO.

Training and development of the Group's personnel in 2025 was conducted by external consultants in the following areas:

- Upgrade of professional qualifications in the following areas and specialities:
 - o Pedagogical education
 - o Cable Network Electrician (5th Grade);
 - o Building and Structure Design;
 - o Advanced Accounting Training;
 - o Crane and Hoisting Equipment Operator Certification;
 - o Design of Internal and External Electrical Supply Systems and Networks;
 - o Medical Staff Training;
 - o Personnel Training for Handling Storage and Transportation of Compressed, Liquefied, and Dissolved Gas Cylinders.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

- Training for Key Roles:
 - o Rigger;
 - o Pump Unit Operator;
 - o Conveyor Operator;
 - o Polymer Materials Welder;
 - o Aerial Work Platform Operator;
 - o Reinforcing Steel Worker (Rebar Worker);
 - o Thickener Operator;
 - o Fuel Handling Operator;
 - o Boiler Room Operator (Stoker);
 - o Work at Height Certification.
- Operational and crisis safety training, including labour safety, industrial and fire safety;
- Environmental safety training.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

In 2025, 864 employees received training, including:

- 563 employees were sent to study in educational institutions in the Far East and beyond;
- 301 employees received training at the training centre of the Group.

Upon completion of training, the employee is issued a certificate or a certificate equivalent. There are two classrooms and visual training material in the centre. Industrial training takes place in the workplace under the guidance of teaching staff. The teaching staff includes K&S's certified engineers and technicians, who have professional teaching diplomas.

Employees received training in 2025 by gender and qualifications:

	Number of employees	Percentage of employees %	Average number of training hours per employee	Total number of training hours for all trained employees
Women	75	9		
Technical and engineering Specialists	10	1	16.4 hours	164 hours
Workers	52	6	11.0 hours	570 hours
	13	2	19.7 hours	256 hours
Men	789	91		
Technical and engineering Specialists	300	35	10.5 hours	3,149 hours
Workers	38	4	11.9 hours	452 hours
	451	52	11.5 hours	5,200 hours

For details on the training received by the IRC Board, please refer to page 89 of this annual report.

In addition, a new “Mineral Processing” specialty was opened in 2017 on the initiative of K&S, based on the Faculty of Information Technologies of the Sholom – Aleichem Priamursky State University, Birobidzhan (“Priamursky State University”). Graduates are guaranteed to be employed at the K&S processing plant after graduation. The educational programme is carried out at the university campus and directly at the Group's educational and production facilities.

In 2025, 10 full-time students successfully graduated from the programme. Of these, 2 graduates joined IRC, while 8 graduates were called up for military service.

As of the reporting date, 27 full-time students continue their studies at the university with their education expenses reimbursed by the Group. One student is currently on academic leave due to military service.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

Number of employees who received training in “Mineral Processing” specialty at the expenses of IRC since 2021:

Location	2025	2024	2023	2022	2021
K&S Training Centre	301	333	511	619	518
Priamursky State University (full-time education)	10	30	12	26	10
Priamursky State University (correspondence course)	–	–	–	27	–

To support the programme, a strong team of teachers was created, composed of the Company’s leading experts, who give lectures and conduct training sessions for full-time and part-time first to third year students of the “Mineral Processing” specialty within the Priamursky State University.

Transparency and Communications

The Company continues to develop transparent and accessible communication channels for both employees and prospective candidates. Initiatives implemented during the reporting period included:

- placement of outdoor advertising materials in the Jewish Autonomous Region;
- regular dissemination of vacancy information via digital platforms;
- ongoing development of the Company’s official Telegram channel.

The Telegram channel, established on 17 November 2023, provides open access to information regarding the Company’s operational, social, and cultural activities. As of the end of 2025, the channel had 1,298 subscribers and serves as an important tool for public engagement, employer branding, and stakeholder communication.

Labour Standards

Employment and organisation of labour in IRC complies with the Constitution of the Russian Federation, the Labour Code of the Russian Federation and other regulatory acts of the Russian Federation containing labour law norms, the Company Charter, and internal documents of the Group. The employment contracts of staff who are employed in other jurisdictions comply with the laws of the relevant jurisdiction. The Group has a policy of zero tolerance to child and forced labour.

The following corporate documents are designed to improve human resources management in the Group:

- Employee’s Code of Professional Ethics;
- Internal Labour Regulations;
- Regulations on Personal Data of the Employees;
- Remuneration and Bonus Scheme for the Employees;
- Regulations on Disciplinary Sanctions;
- Dormitory Rules;
- Regulations on the Training Centre which provides professional training of the Group’s employees and other persons;
- Regulations on Structural Divisions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

The employment contracts are normally permanent in accordance with general regulations. However, in some cases, because of the nature of the duties or requirements to perform those duties, it may not be possible to establish a working relationship permanently. In those cases, a fixed-term employment contract of up to five years may therefore be signed. Russian Labour legislation imposes clear restrictions on the implementation of fixed-term employment contracts.

An employer may terminate an employment contract only on the basis of the specific grounds set out in the Labour Code. An employee made redundant or dismissed from the Company on account of its liquidation shall have the right to receive, for a period of time, compensation, including severance and salary payments, depending on the circumstances.

The Labour Code also provides for additional protection or favourable treatment for certain categories of employees, such as pregnant women, workers under the age of 18, workers engaged in hazardous working conditions or those working in hostile climatic conditions. According to the Labour Code, it is prohibited to employ, engage in, or use any forced or juvenile labour, and the Federal Authorities regularly carry out field inspections to ensure compliance with the law. To prevent any risk of using child or forced labour, appropriate candidate screening and age-checks are implemented in the Group's recruitment process to ensure no children are hired or contracted by the Group.

The Labour Code also sets the standard working time per week at 40 hours. Working beyond 40 hours a week, as well as working on public holidays and weekends, shall be compensated by double payment of labour remuneration, or be paid as an extra day off. Working hours are stipulated in contracts with staff and we ensure these requirements are in compliance with applicable labour laws.

The Group does not discriminate on the basis of gender, nationality, religion or other grounds not related to the level of competence in the field of labour relations. The selection of candidates for vacant positions depends on the availability of the necessary skills and excludes the preferences of gender, nationality, religion and age. Human Resource's decisions are based solely on the assessment of the applicant's professional qualities.

The Group complies with all federal legislation regarding working hours and conditions, worker protection, remuneration and dismissal, recruitment and promotion, social security, paid leave, rest periods, equal opportunity, diversity and anti-discrimination. Social benefits are provided to all employees of the Company and certain categories in accordance with the legislation of the Russian Federation.

To protect the interests of employees of the Group, employees may contact the Human Resources department if they suspect discriminatory behaviour.

During the reporting period, the Group complied with all applicable employment laws and regulations, including the Labour Code. There were no cases of discrimination, child labour, or other forms of forced labour within the scope of the Group. However, if there were any such cases, the staff responsible for the violations would be subject to internal disciplinary actions (including, potentially, having their employment terminated) and/or referred to relevant authorities, and the Group would review relevant policies and procedures.

HEALTH AND SAFETY

The Group is responsible for maintaining a safe working environment that complies with the applicable law and industrial safety requirements and protects employees from occupational hazards. Health and safety measures are managed at the operational level, with support from the Group to ensure compliance with Russian regulations. All projects are required to have health and safety management systems in place and to reflect good international practice. The principal law regulating industrial safety is the Russian Health and Safety Law, which applies, in particular, to industrial facilities and sites where certain activities are carried out, including sites where mineral processing is carried out and certain hazardous substances are used. The Health and Safety Law also contains a comprehensive list of hazardous substances and their permitted concentrations and extends to the facilities and sites where these substances are used. Regulations adopted under the Health and Safety Law further address the safety rules for mining and production operations carried out by the Group. The Group complies with these laws.

Any construction, reconstruction, liquidation or other activities relating to regulated industrial sites shall be subject to a state industrial safety review. Any deviation from the project documentation in the process of construction, reconstruction or liquidation of regulated industrial sites shall be prohibited unless it is reviewed by a licensed expert and approved by the Federal Service for Environmental, Technological and Nuclear Supervision or other relevant regulatory authority. Legal entities operating such regulated industrial facilities and sites have a wide range of obligations under Russian law, in particular under the Health and Safety Law and the Labour Code.

In order to comply with Federal Law No. 426 – F, the Health and Safety Department of the Group shall, each year, identify harmful and/or hazardous factors in the production environment and working process, and assess the level of the impact on employees, taking into account deviations in their actual value. On the basis of the results of the assessment of working conditions, reports on the classification of working conditions and lists of measures to improve working conditions are drawn up.

In addition to the legal obligation to protect the health of all employees, the Group recognises that its employees also have the right to work in a safe working environment. Health and safety training is provided to all employees during the initial on-boarding process. The Group organises annual conferences to bring key members of staff to share their experience and discuss good practice. In addition, all employees receive annual health and safety “refresher” training courses to introduce them to the latest health and safety techniques and procedures put in place by the Group. Health and safety monitoring and internal inspections of working environments are undertaken to ensure compliance with Russian regulatory requirements as well as with international best practice.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

Our goal is to ensure the health and safety of our employees, contractors, and visitors of the Group. The Group's health and safety policy includes:

- Adherence to all labour legislation-mandated procedures and requirements;
- The need to enforce standards that embody best practices, and to ensure that working conditions are still favourable;
- Conducting required briefings, training, and employee monitoring;
- Advising and educating employees about developments in labour protection;
- Conducting routine risk assessments and operational safety audits to track and enhance the Group's operations.

As mentioned, all of the Group's operating entities must have health and safety management systems, as recorded in comprehensive health and safety manuals. The Group employs health and safety experts and provides rigorous training programmes. The Group investigates every accident and prepares accident reports in accordance with existing procedures. The Group also prioritises new employees' safety induction and conducts bi-monthly health and safety training for all employees. As part of the Group's fire prevention programme, firefighting exercises are held on a regular basis, and employees are provided with necessary safety equipment.

The Group has developed and is implementing "Industrial safety and labour protection management system", "Permit-to-work system" and "Procedure for training (pre-certification) and verification (certification) of the knowledge of industrial safety, labour protection and fire safety requirements" standards. These standards lay foundation for the Group's compliance with labour protection, and industrial and fire safety regulations.

The Federal authorities inspect explosives storage, industrial facilities, labour and environmental aspects, as well as health and safety procedures and documents at each of the Group's operations on a regular basis, ranging from once a year to once every three years.

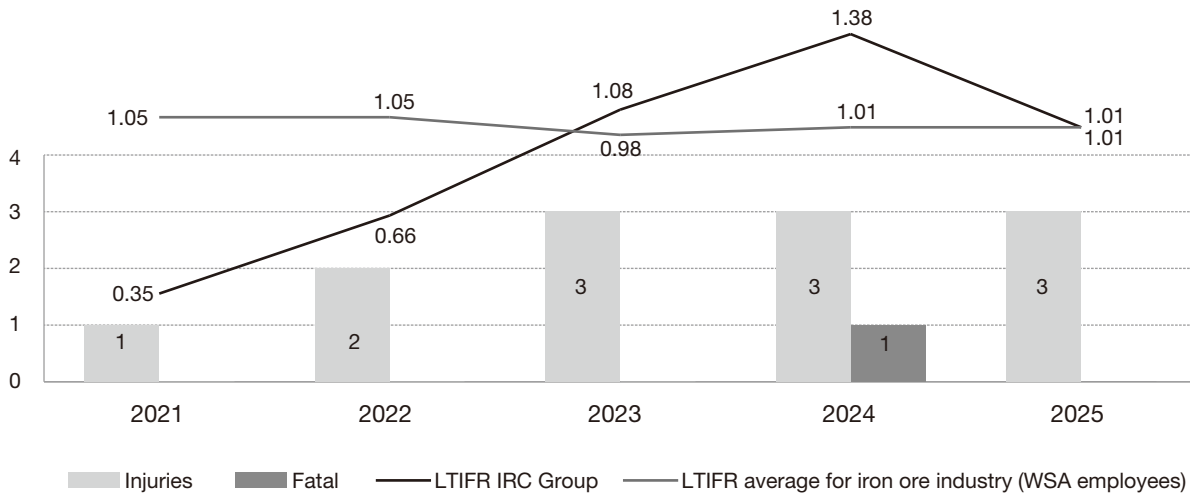
In 2025, the lost time due to injuries recorded on site was 1.01 per 1,000,000 man-hours. The Group makes every effort to achieve a zero injuries rate and safe working conditions.

Safety Statistics 2021–2025 (Russian Standard Scale)

	2025		2024		2023		2022		2021	
	Injuries	LTIFR	Injuries	LTIFR	Injuries	LTIFR	Injuries	LTIFR	Injuries	LTIFR
K&S	3	1.08	4	1.47	3	1.15	2	0.70	1	0.35
Other projects	–	0.00	–	0.00	–	0.00	–	0.00	–	0.00
Group	3	1.01	4	1.38	3	1.08	2	0.66	1	0.35

Note: LTIFR means Lost Time Injury Frequency Rate.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)



* Sources: World Steel Association (WSA)

According to the requirements of the Russian Federation’s Labour Code, each industrial accident must be reported in the prescribed manner and logged in the prescribed form in the industrial accident register.

Health and safety performance is a key indicator that reflect how IRC fulfils its responsibility to provide a good working condition to its employees. Low rates of occupational injuries and diseases, and lost working days are related to the high morale and productivity of employees. The Group also regularly conducts annual medical examinations for workers in hazardous working conditions to detect signs of occupational diseases and prevent them before they occur.

The safety and well-being of our employees and the communities near the K&S mine are of paramount importance to IRC. No fatal accidents were recorded in the Group in 2025.

To prevent workplace accidents and ensure safe working conditions, the following measures are implemented at the enterprise:

- Organizational & Technical Measures: Safety briefings, equipment modernization, workplace inspections, workplace certification;
- Training & Awareness Measures: First aid training, emergency drills, warning signage, PPE (Personal Protective Equipment);
- Psychological Support: Stress management workshops, anonymous hotlines, team-building activities;
- Medical Measures: Health check-ups, vaccination programs, work/rest schedule monitoring, PPE provision;
- Analysis & Optimization: Incident investigations, injury statistics tracking, OHSMS (Occupational Health & Safety Management System) implementation;
- Incentive Programs: Safety compliance bonuses, penalties for violations, public reporting on safety metrics.

IRC is committed to further improve safety standards in the coming years.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

ENVIRONMENTAL MANAGEMENT SYSTEM & ENVIRONMENTAL POLICY

Environmental Management System (EMS) is an instrument for implementing environmental policies. It aims to set and achieve environmental goals, manage environmental matters, and fulfil its obligations.

One of the key aspects of IRC's sustainability policy is to minimise the impact of our operations on the environment and natural resources. This task is seen as critical by our management team.

Since 2011, the Group has implemented an integral Environmental Management System ("EMS"), which is used for the development, implementation and review of the Group's environmental policy. It has been certified by the French certification body AFNOR. Currently, the EMS used by IRC is able to meet all the requirements of ISO 14001, although it has not been formally certified due to cost-saving reasons. In order to further confirm the effectiveness of the environmental management system, and in accordance with the latest requirements of the international standard ISO 14001, the Group conducts a self-assessment of the system every year.

Atmospheric, groundwater and surface water, soil and plant, geological topography, animal life in the water ecosystem and the surrounding areas of the Group's projects will be affected during its operations. In order to minimise the environmental impact, the Group has taken a number of important measures, including compliance with the following environmental policies:

1. Compliance with the environmental laws of the Russian Federation and international agreements;
2. Minimisation of the impact on the environment and biodiversity through measures to improve and optimise the environmental management system;
3. Minimisation of the impact of operations on indigenous populations, in addition to providing support to indigenous communities to preserve their lifestyle and contribute to sustainable development;
4. Utilisation of scientific research and developments to eliminate or reduce the impact of operations on the environment and to reduce the consumption of materials and energy;
5. Preparation of contingency plans in the event of a health and safety, environmental or natural disaster or emergency;
6. Promotion of environmental awareness to employees and stakeholders where the Group operates;
7. Encouraging vendors and contractors to comply with the environmental and safety policies of the Group;
8. Disclosure of the Group's environmental strategy, research and data to the public, as well as to conduct public consultations and hearings;
9. Commitment of the Board and senior management to comply with the safety and environmental policies, and environmental management system in all decisions; and
10. Involvement of all employees in the environmental management system through training and incentive programmes.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

The main objectives of the Group's environmental policy are achieved through the implementation of the following activities:

1. Compliance with the requirements of local environmental law and international standards of best practice;
2. Environmental monitoring of:
 - air pollutants and emissions (including greenhouse gasses);
 - land use and rehabilitation;
 - waste management (including hazardous substances);
 - water management; and
 - energy consumption and conservation.
3. Biodiversity conservation;
4. Community engagement through:
 - stakeholders engagement;
 - public hearings and discussions; and
 - environmental education.

In accordance with the requirements of the international standard ISO 14001, all employees of the Group receive training to understand the importance of environmental protection activities at their workplaces. EMS also applies to all contractors that works on our sites. The proper functioning of the environmental management system reduces the impact of our operations on the environment and promotes a healthy and ecological culture among our employees.

CORPORATE ENVIRONMENTAL GOALS, OBJECTIVES, AND MEASURES FOR THE ACHIEVEMENT

In order to implement measures aimed at achieving the environmental goals and objectives set by the Group in 2025 (the environmental goals and objectives are set once a year), the Environmental Protection Action Plan was designed and approved. The Plan is a document that sets out a list of all measures aimed at improving environmental management efficiency, ensuring environmental safety, rational use of natural resources, and saving energy.

At the end of each period, the company reports the results of the implementation of environmental protection measures and the achievement of key environmental indicators to the supervising authorities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

REQUIREMENTS OF ENVIRONMENTAL LEGISLATION

In its environmental policies, IRC meets and often exceeds the standards of Russian legislation and international best practice. The main Russian Federation Environmental Legislation and Standards applicable to the Group's activities include:

- No. 7, 2002 "On Environmental Protection";
- No. 2395-1, 1992 "On Subsoil Law";
- No. 136, 2001 "Land Code";
- No. 33, 1995 "On Specially Protected Natural Territories";
- No. 52, 1995 "On Wild Animals";
- No. 116, 1997 "On Industrial Safety of the Dangerous Industrial Objects";
- No. 89, 1998 "On Production and Consumption of Waste";
- No. 52, 1999 "On Sanitary – Epidemiological Welfare of the Population";
- No. 96, 1999 "On Air Protection";
- No. 190, 2004 "Urban Development Code of the Russian Federation";
- No. 166, 2004 "On Fisheries and Conservation of Aquatic Biological Resources";
- No. 74, 2006 "On Water Code";
- No. 416, 2011 "On Water Supply and Water Disposal";
- No. 174, 1995 "On Ecological Expertise";
- No. 99, 2011 "On Licensing Certain Types of Activities";
- No. 442, 2003 "On the Transboundary Movement of Waste";
- No. 200, 2006 "Forest Code of the Russian Federation";

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

- No. 1458, 2014 “On the Procedure for Determining Technology as the Best Available Technique, as well as the Development, Updating and Publishing of Informational Technical Guides on the Best Available Technique”;
- No. 219, 2014 “On Amendments to the Federal Law ‘On Environment Protection’ and Certain Acts of the Russian Federation”;
- Sanitary and Epidemiological Rules and Norms (“SanPiN”) 1.2.3685-21 “Hygienic standards and requirements for ensuring safety and (or) harmlessness to humans from environmental factors”;
- Resolution of the Government of Russia No. 800, 2018 “On carrying out rehabilitation and conservation of land”;
- GOST R 56062-2014 “Industrial Ecology Control. General Principles”;
- GOST R 56061-2014 “Industrial Ecology Control. Requirements for Programme Industrial Ecology Control”;
- GOST R 56059-2014 “Industrial Environmental Monitoring. General Principles”;
- GOST R 56060-2014 “Industrial Environmental Monitoring. Monitoring of the State and Pollution of the Environment on the Territories of Wastes Disposal facilities”;
- GOST R 56063-2014 “Industrial Environmental Monitoring. Requirements to Programmes of Industrial Environmental Monitoring”;
- GOST R 56828.24-2017 “Best Available Techniques. Energy Saving. Guidance on the Application of the Best Available Techniques for Increasing the Energy Efficiency Energy Saving”;
- GOST R 56828.27-2017 “Best Available Techniques. Resources Saving. The Methodology for the Treatment of Waste to Produce Material Resources”;
- GOST R 55100-2012 “Resources Saving. Best Available Techniques for the Management of Tailings and Waste – rock in Mining Activities. Aspects of Good Practice”;
- GOST R 54298-2010 “Environmental Management System. Certification of Environmental Management System for Compliance GOST P 14001-2007”;
- RD 52.08.18-84 “Conservation of Nature. Hydrosphere. Methodical Instructions. Rules for Keeping Records of Surface Waters. General Provisions”.

ENVIRONMENTAL MONITORING, CONTROL AND MEASURING

A comprehensive assessment of the environmental impact of K&S activities is carried out in accordance with Russian legislation and international regulations during the process of industrial environmental control and monitoring. To this end, we cooperate with accredited laboratories and research organisations with appropriate licenses and permits.

IRC has a comprehensive environmental monitoring system, including monitoring environmental conditions, evaluating and predicting changes in environmental conditions under the influence of natural and anthropogenic factors. Monitoring covers the following areas:

- Atmospheric air;
- Natural waters (surface and underground);
- Bottom sediments and top soil in stream flow;
- Flora and fauna;
- Aquatic ecosystems; and
- Radiation.

IRC regularly monitors air emissions, sources of solid waste, process control parameters, fuel and energy resources, and uses these data to better manage its operations.

The objectives of industrial environmental control are:

- Check the conformity of the technological process to the design;
- Control of hazardous waste management;
- Control of environmental protection measures of atmospheric air, land and water bodies; and
- Control of physical environmental factors (noise and vibration).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)



Industrial emissions control



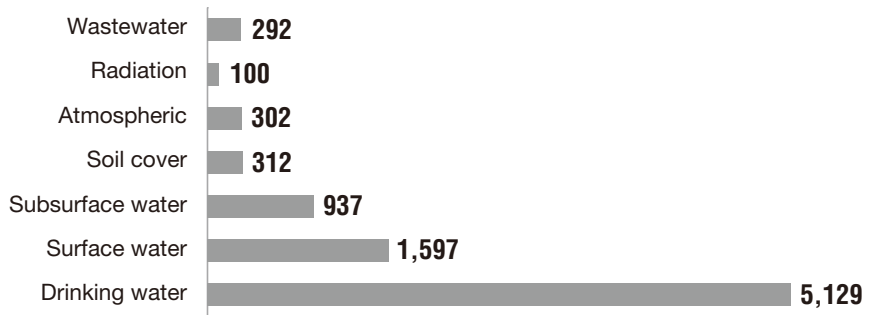
Air monitoring



Water monitoring

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

Since 2016, more than 56,000 analyses of various environmental components have been carried out as part of the monitoring programmes including wastewater and industrial discharge tests. The chart below presents the number of environmental component analyses carried out in 2025.



To ensure compliance with the requirements of environmental legislation, annual reports on the results of industrial environmental control are prepared separately for the K&S industrial site and accommodation camp.

According to the results of industrial environmental control and environmental monitoring conducted by IRC, all data did not exceed the limits and met the standards.

STATE ENVIRONMENTAL SUPERVISION (CONTROL)

In 2025, seven unscheduled environmental compliance inspections were conducted at the Kimkan and Sutara deposits. Violations identified during the inspections resulted in administrative fines totaling US\$3,000. All violations were promptly rectified, and the fines were paid within the stipulated deadlines.

CLIMATE CHANGE

The corporate objectives in the area of climate change

The management of greenhouse gas emissions is part of IRC's ongoing corporate strategy for environmental protection and climate conservation. Reducing specific greenhouse gas emissions is a key factor to improving the environmental friendliness of production processes.

When implementing the projects of IRC, environmental protection measures must be enforced to reduce emissions of pollutants into the air (use of gas treatment plants with a cleaning efficiency of up to 99%), using a recycled water supply system, reducing the area of land affected by the project, using industrial waste as raw materials and other materials of construction sources.

Management of greenhouse gas emissions

In order to comply with the requirements of the environmental legislation of the Russian Federation with regard to the disclosure of greenhouse gas emission, monitoring and calculation of greenhouse gas emissions has been carried out since 2016, using the procedure as stated in the Methodology Guidelines on the quantification of greenhouse gas emissions (order of the Ministry of Russia dated June 30, 2015, No. 300).

Total greenhouse gas emissions are calculated in terms of its global warming potential and are expressed in CO₂ equivalent. The calculation is made on the basis of all types of products used: gasoline, diesel, and coal.

Summary of Air Pollutant & Emission Statistics 2021–2025

Performance Indices	Unit	2025	2024	2023	2022	2021
Air Pollutants & Emissions						
Greenhouse gases emissions (CO₂):						
Total	t	51,677	47,784	54,719	57,856	57,735
Coal combustion	t	43,822	42,378	49,660	52,758	53,031
Diesel fuel combustion	t	7,100	4,723	4,443	4,477	4,112
Gasoline combustion	t	755	682	616	621	591
Kerosene combustion	t	0	0.867	0.013	0	1.03

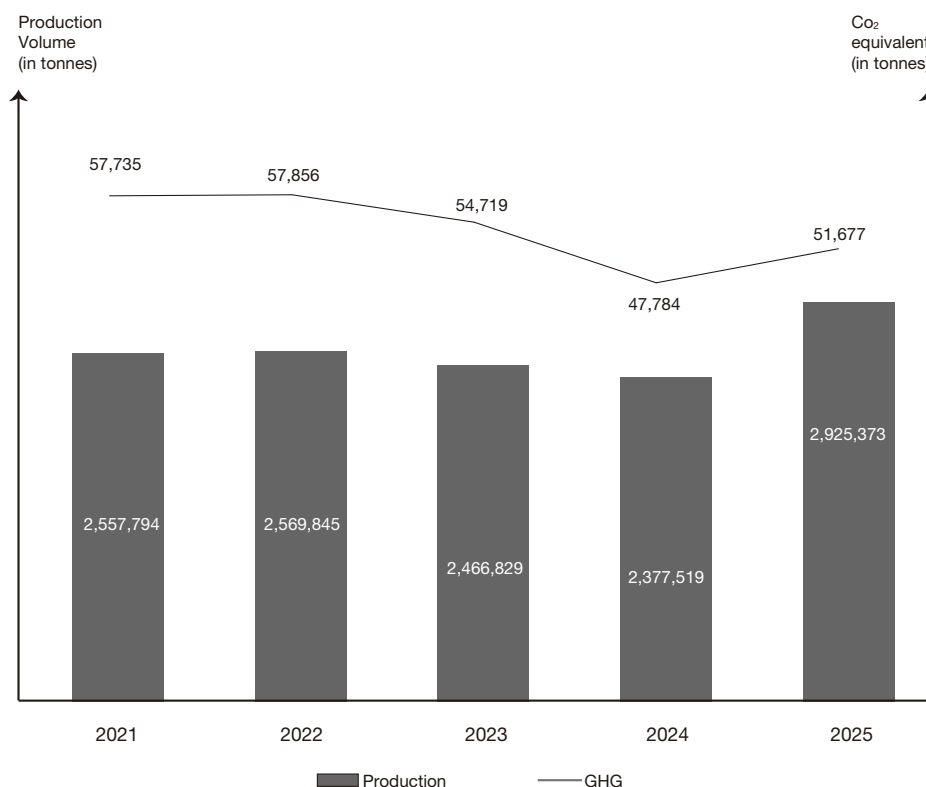
The greenhouse gases emissions intensity rate per tonne of dried iron ore concentrate produced was:

Indicator	Unit	2025	2024	2023	2022	2021
The volume of production	t	2,925,373	2,377,519	2,466,829	2,569,845	2,557,794
Total direct greenhouse gases emissions	t	51,677	47,784	54,719	57,856	57,735
– Intensity rate	t/t	0.0177	0.0201	0.0222	0.0225	0.023

Based on the 2025 results, direct greenhouse gas emissions (Scope 1) of the IRC’s production activity was 8% higher than in 2024 and amounted to 51,677 tonnes of CO₂ equivalent.

The increase in direct greenhouse gas emissions is associated with higher diesel fuel consumption by construction equipment due to the commencement of Stage II development at the Sutara deposit.

Dynamics of greenhouse gas emissions by the Group in 2021-2025, tonnes of CO₂ equivalent vs Production.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

During the reporting year, greenhouse gas emissions decreased as a result of the measures to improve energy efficiency and reduce coal consumption in the heating plant of the processing plant.

Indicator	Unit	Actual consumption		Increase /(decrease)
		2025	2024	
Coal used	t	27,277	25,407	7.4%
– drying unit	t	11,000	12,613	(12.8%)
– heating plant	t	16,277	12,794	27.2%

The increase in coal consumption on heating plat is primarily attributable to weather conditions: during the 2025 winter heating season, a significant drop in outdoor temperature was recorded compared to 2024, which required increased capacity of the heating plants.

To improve the efficiency of the processing plant while the ore feed quality decreases the following resource-saving measures were implemented in 2025:

- In the beneficiation section of the processing plant:
 - In the wet magnetic separation department, installation and commissioning of CTN-1550 separators (B-3500 Gauss) manufactured by LONGi (LONGI MAGNET CO., LTD., China) on the first and second lines have been completed. The entire first stage of separation is now equipped with new separators. In the second separation stage of the wet magnetic separation department, CTB-1550 separators (3500 Gauss) manufactured by LONGi MAGNET CO., LTD. (China) have been installed and commissioned. The deployment of these separators has reduced magnetic iron losses in tailings to 0.5%.
 - Further planned replacement of magnetic separators in the 3rd stages of wet magnetic separation with CTN separators of Chinese production, featuring higher magnetic induction (3000–3500 Gauss), will enable the processing of low-grade ore with Femagn content of 12–15% without significant losses of Femagn and Fe(total) in wet magnetic separation tailings (transition phase between hematite and magnetite).

JSC NNK-Energo (Khabarovsk) has been the independent power supply company for K&S since 2018.

IRC purchases electricity generated at Zeya and/or Bureyskaya hydroelectric power plants (part of PJSC RusHydro). According to public information, in 2025 RusHydro continued to work on determining the carbon balance of HPP reservoirs, so that the results will be recognised by both the international expert community and the authorities responsible for preparing national greenhouse gas emissions registers. Nine large reservoirs of RusHydro HPPs located in different natural and climatic zones of Russia have been selected for measurements: Kolyma, Bureysk, Zeya, Sayano-Shushenskoye, Boguchanskoye, Rybinskoye, Kuibyshev, Volgogradskoye and Chirkeiskoye. The results of the research work will be of great importance to Russia and further, the international community.

Currently, the role of hydropower in the global climate change process and the methodology for estimating emissions and absorption capacity of hydropower reservoirs has not been determined in the Russian Federation. The calculation of indirect greenhouse gas emissions (Scope 2) from water reservoirs is not performed, as there is no calculation methodology.

However, it is important to note that the compensatory reforestation carried out by the company in 2025 on the area of 180 ha can be considered as a measure aimed at offsetting the carbon footprint of the company's production activities.

Energy saving and energy efficiency

To cope with the global climate change, the Company increases its energy efficiency in order to improve the energy content of its products. Reasonable energy use helps reduce greenhouse gas emissions.

The main objectives of the Group are to:

- Ensure the efficiency of the technological processes and operation of the Group's technological equipment;
- Ensure the efficient use of the Group's fuel and energy resources.

According to the analysis of energy consumption in 2025, the consumption of coal (per tonne of dried iron ore concentrate produced) remained close to the 2024's level and was 9.32 kg/t (2024–10.69 kg/t).

Unit power consumption per tonne of concentrate produced was 88.485 kWh in 2025, slightly lower than the 106.791 kWh per tonne of concentrate in 2024.

The Group uses the following measures to lower its total consumption of energy:

- Exploitation of the "Termanik Boiler-250" induction heating complex at the 10 MW heating plant, which allows heating water for the hot water supply without the use of coal boilers in summer. That allows reducing the amount of coal use for heating and minimising greenhouse gas emissions;
- During the heating season, daily coal consumption is adjusted based on outdoor air temperature: lower temperatures result in increased fuel usage, while higher temperatures reduce it. This correlation is formalized through an approved temperature chart for the supply water, which ensures precise alignment of heating system operations with current weather conditions. This approach optimizes resource consumption, reduces operational costs, and guarantees reliable heat supply.
- Central Heating Point No. 1 has been equipped with the advanced "Termanik-Complex-300 Heating Unit," ensuring reliable hot water supply to the processing plant during the summer period;

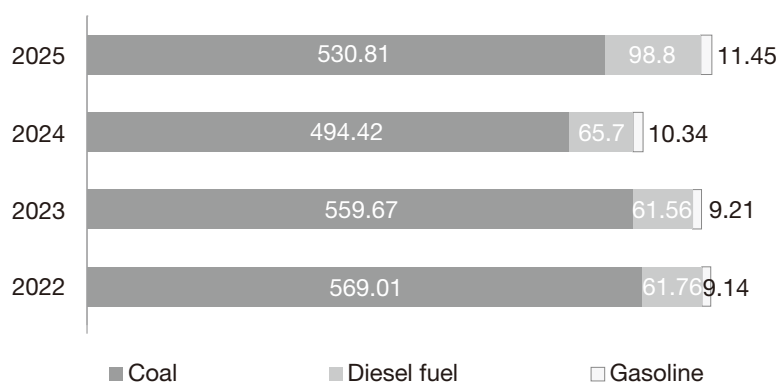
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

- Installation of automatic relays for street lightings;
- Replacement of broken unadjustable electrical heaters with heaters equipped with thermal sensors;
- Active efforts are underway to enhance energy efficiency, including transitioning to energy-saving lighting systems, optimizing the operation of thermal-mechanical equipment, monitoring fuel consumption, improving thermal insulation of premises, and implementing other measures aimed at reducing energy costs and enhancing operational sustainability.

Summary of Energy Consumption & Conservation Statistics in 2021–2025

The energy consumption intensity rate per tonne of dried iron ore concentrate produced was:

Performance Indices	Unit	2025	2024	2023	2022	2021
The volume of production	t	2,925,373	2,377,519	2,466,829	2,569,845	2,557,794
Energy Consumption & Conservation						
Electricity	kWh	258,852,828	253,897,279	253,685,806	251,198,047	251,468,468
– Intensity rate	kWh/t	88.485	106.791	102.839	97.748	98.315
Diesel fuel	l	2,713,556	1,805,030	1,691,336	1,696,908	1,558,572
– Intensity rate	l/t	0.928	0.760	0.686	0.660	0.609
Gasoline	l	336,289	303,564	270,469	268,452	255,476
– Intensity rate	l/t	0.115	0.128	0.109	0.104	0.100
Coal	t	27,277	25,407	28,760	29,240	29,391
– Intensity rate	t/t	0.009	0.011	0.012	0.011	0.012
Kerosene	l	–	341	5	–	407
– Intensity rate	l/t	–	0.00014	0.000002	–	0.00016

Fuel consumption by the Group (TJ)

* Fuel consumption was converted into energy units (TJ).

Risks and opportunities related to climate change

IRC has taken a range of measures to minimise the negative impact of the company’s production activities on climate change. These include: regular monitoring of the emissions sources at the processing plant, monitoring of machinery and equipment on a regular basis; identifying emission sources and developing Maximum Allowable Emission Targets; and drawing up measures to reduce emissions into the atmosphere under severe weather conditions.

Since 2022, in line with the requirements of environmental legislation, the company contracted a specialised organisation to develop and obtain approval from the state authorities for a comprehensive environmental permit for business operations and other activities at facilities that have a negative impact on the environment.

The Group recognises the importance of climate change and remains committed to strengthening climate resilience through sustainable development, low-carbon operations, green innovation, and more efficient resource use. The Group currently expects that no climate-related risks or opportunities will have a material impact on its strategy, operations, financial position, cash flows in the short, medium or long term.

As at the end of the reporting period, the Group had not adopted internal carbon pricing, or had it incorporated climate-related considerations into its remuneration policies or established climate targets. Given the Group’s current business model and limited environmental impact, certain cross-industry and industry-specific metrics were considered not material and therefore not disclosed. In addition, the Group has not conducted climate scenario analysis during the reporting period, as doing so would currently involve disproportionate cost and effort in light of its present data and analytical capabilities.

Looking ahead, the Group will continue to enhance its identification, assessment and management of climate-related risks and opportunities in line with evolving regulatory requirements, business developments and management needs.

ENVIRONMENTAL PROTECTION

The main activities of IRC in the area of sustainable development are the protection of atmospheric air, land, water, forest resources, conservation of biodiversity in the regions of the Group and the optimisation of waste management.

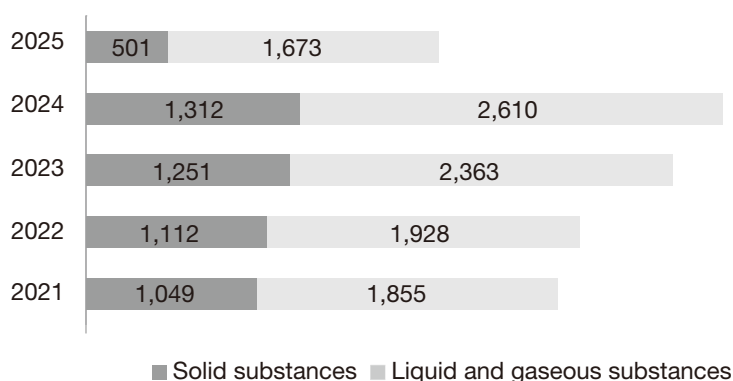
AIR POLLUTANTS AND EMISSIONS

The following are the key air pollutants generated by the Group’s operations, which are primarily produced by mining and processing operations.

Liquid and gaseous substances:	Solid substances:
Carbon monoxide	Inorganic dust (>70% SiO2)
Nitrogen dioxide	Inorganic dust (20–70% SiO2)
Sulfur dioxide	Inorganic dust (<20% SiO2)
Nitrogen oxides	PM10
Saturates	PM2.5
Benzopyrene, ethanol and etc.	Dialuminium trioxide and etc.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

The gross emissions of pollutants into the atmosphere from stationary sources decreased by 46% to 2,174 tonnes in 2025. This reduction in gross atmospheric emissions is attributable to the issuance of a new comprehensive environmental permit for the Kimkan deposit, which excluded non-operational stationary emission sources. Whereas, emissions from mobile sources increased due to the commencement of construction on Stage II of the Sutara deposit development.

**Emissions of Air Pollutants from Stationary Sources, 2021–2025 (tonnes)**

At the end of 2024, K&S received a new emissions permit as part of the approved comprehensive environmental permit, valid until the end of 2031. Under the new permit, gross emissions for 2025 did not exceed the established values and amounted to 99.93% of the permitted volume. For the period of construction works at the Sutara deposit in 2025, the company obtained a sanitary and epidemiological certificate of compliance of pollutant emissions with the state sanitary and epidemiological rules and standards, and the emissions of pollutants into the atmospheric air have been approved.

According to the requirements of the environmental protection laws of the Russian Federation, the ecologists of the Group submitted an application to register the existing sites that have a negative impact on the environment, with the proposed assignment of categories and levels of ecological inspection. The following measures are being taken to improve air quality and take steps to avoid air pollution and reduce emissions:

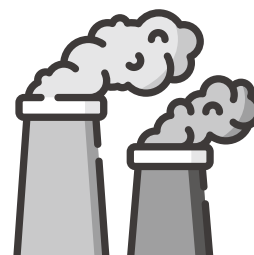
- Establishing watering schedules for dust suppression. This schedule is being closely monitored in order to maximise performance;
- At the heating plants, the efficiency of dust and gas catchers is systematically controlled according to the approved manuals to prevent overflow of the bunker collecting dust and ash particles. Industrial emissions treatment efficiency at the heating plant was 94%;
- A certified laboratory was used to track the efficiency of the dust and gas catchers. The cleaning efficiency of industrial waste at the processing plant according to measurements was more than 98% in 2025;
- The Group actively tracks vehicle movement and fuel consumption. According to the established standards, no excessive fuel consumption was reported;

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

- The Group has implemented the AutoGRAPH system, which allows real-time monitoring of speed, movement/idle time, vehicle location, and deviation from the assigned route. Furthermore, by using the sensors mounted on the vehicles, this multifunctional system is able to track the vehicle's fuel level (refueling, consumption, and possible drains), as well as control the efficiency of its use and any deviations from existing standards. If the consumption is excessive, necessary measures will be taken;
- Continuous testing of motor vehicles' exhaust emissions during the technical inspections – 83 vehicles passed technical inspection test in 2025 and the emissions were found to be within acceptable limits;
- Close monitoring of energy and fuel consumption to ensure they remain within acceptable limits.

The actual emissions volume did not exceed the limits set in the current permits, according to the results of environmental studies performed at the K&S project site and in the sanitary protection zone in 2025.

Given that no chemical reagents were used in the process cycle from mining operations to concentrate production, the degree of air pollution at the project site, as measured by the integrated index of air pollution in 2025, is "low".



Summary of Air Pollutant & Emission Statistics 2021–2025:

Performance Indices	Unit	2025	2024	2023	2022	2021
Air Pollutants & Emissions						
Mass of emitted hazardous pollutants:						
Total	t	2,174	4,010	4,071	3,923	3,614
Solid substances	t	501	1,390	1,418	1,312	1,251
Liquid and gaseous substances	t	1,673	2,620	2,653	2,610	2,363
Percentage of maximum permitted emission:						
Solids	%	98.69	98.88	99.88	99.88	99.6
Liquid and gases	%	100	100	100	100	100
Pollutants removed by gas treatment:						
Total removed, of which,	t	5,596	4,871	4,850	4,850	21,165
Solid substance	t	5,596	4,871	4,850	4,850	21,165
Liquid and gaseous substances	t	0.003	0.003	0.003	0.003	0.004

LAND USE AND REHABILITATION

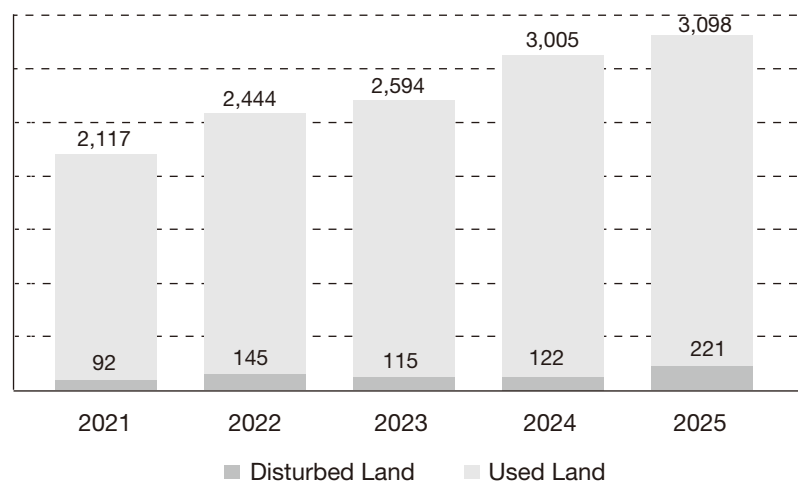
By the end of 2025, the total area of land used by the IRC group was 3,098 hectares, an increase of 93 hectares (3%) from the previous year. The increase in land area used is attributable to the signing of new forest land lease agreements to accommodate overburden dumps, low-grade ore stockpiles and for the development of the Sutara open pit.

Land rehabilitation is carried out after the facilities are decommissioned. Rehabilitation volumes and activities are provided in the approved Disturbed Land Reclamation Projects.

Following the land rehabilitation, a natural environment will be made suitable for its further use by future land users.

The summary of land used, disturbed and rehabilitated by IRC is shown in the chart below.

Land Use and Rehabilitation, 2021–2025 (hectares)



Land Use & Rehabilitation Statistics 2021–2025

Performance Indices	Unit	2025	2024	2023	2022	2021
Total area of Land in use	ha	3,098	3,005	2,594	2,444	2,117
New surfaces disturbed in the reporting period	ha	220.63	122.07	115.28	144.92	92.23
Rehabilitated land						
Area of rehabilitated land	ha	-	-	-	-	-
Topsoil used	m ³	-	-	-	-	-
Preservation of topsoil						
Moved to stockpiles	m ³	-	-	-	-	-
Total topsoil stored at 31 December	m ³	-	1,287,700	1,287,700	1,287,700	1,287,700
Forest plantation						
Total	ha	180	234.5	84.4	82.40	114.10

WASTE MANAGEMENT

IRC recognizes its responsibility for the environment and takes measures to ensure the rational use of natural resources and safety in waste management. The Company conducts regular operational environmental control in order to comply with applicable legal requirements and manage the impact of waste on environmental components.

In the structure of the Company's generated waste, 99.99% is non-hazardous waste (Class V), which is characterized by a low degree of negative impact on the environment.

Waste generation structure by hazard class, %

Performance Indices	Unit	2025	2024	2023	2022	2021
Hazardous wastes (Class I-III)	t	0.0001	0.0001	0.0001	0.0001	0.0001
Low-hazard wastes (Class IV)	t	0.0006	0.0004	0.0004	0.0004	0.0004
Practically non-hazardous wastes (Class V)*	t	99.9993	99.9995	99.9995	99.9995	99.9995

* including subsoil use waste (inert waste)

Staff training in hazardous waste management and labelling is conducted on a regular basis. Efforts are made to ensure that the universal labelling of hazardous materials is carried out according with the international standards.

Most of the waste (99.99%) generated by the company is inert waste (subsoil use waste). Pursuant to the State Standard (GOST R) 56222 "National Standard: Efficiency of resources (Resources saving), Waste Management", "Inert waste" is defined as waste that has no negative impact on humans and the environment. Overburden rock and processing waste (the tailings of dry and wet magnetic separation) belong to inert waste.

Subsoil use waste includes overburden and tailings (dry and wet magnetic separation tailings).

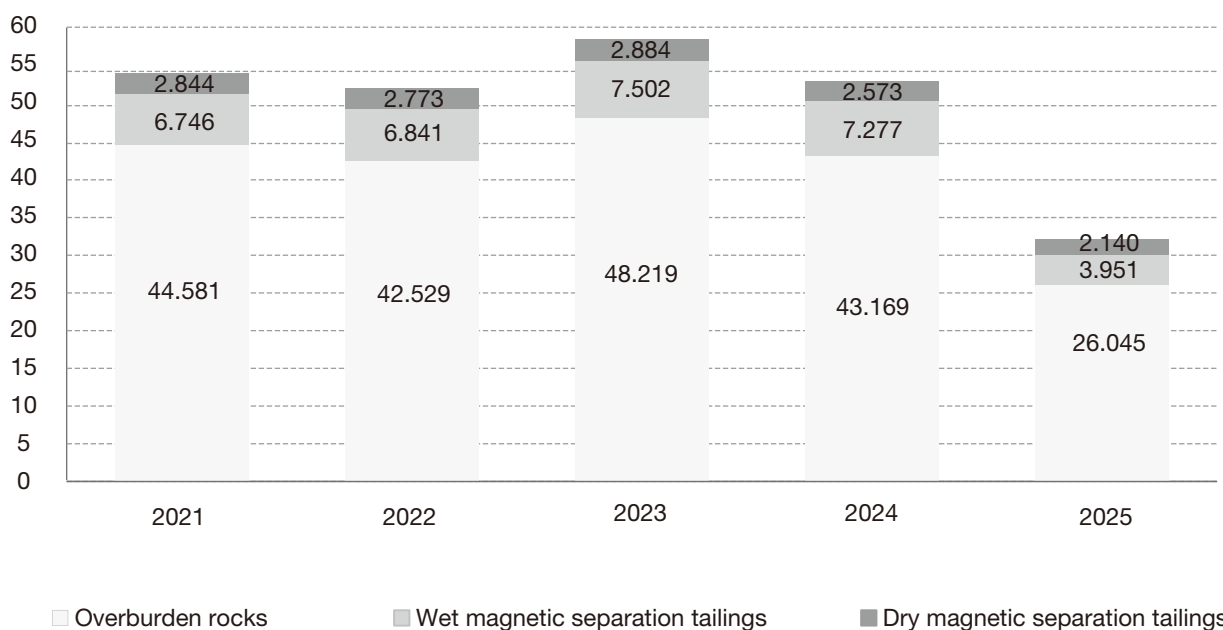
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

Overburden and DMS tailings are stored in stockpiles in accordance with the approved design solutions and the Land Reclamation Project until their further use for rehabilitation of disturbed lands and filling of the open pits, as well as for road bedding, reinforcement of tailings dams and settling ponds for pit and underground waters.

Wet magnetic separation tailings are used in the ways specified in the working documentation to develop the deposit, for screening the tailings dam bed and building up the tailings dams by banking the next tier with tailings.

The total amount of inert (non-hazardous) waste generated in 2025 decreased by 39% to 32,136,101 tonnes, including: overburden of 26,045,408 tonnes, dry tailings of 2,139,721 tonnes and wet tailings of 3,950,972 tonnes, accounting for approximately 81%, 6.7% and 12.3% of total inert waste respectively.

Performance Indices	Unit	2025	2024	2023	2022	2021
Subsoil use waste (inert waste):	t	32,136,101	53,020,368	58,606,060	52,143,030	54,171,590
Overburden rocks	t	26,045,408	43,169,908	48,219,360	42,528,920	44,581,320
Wet tailings	t	3,950,972	7,277,442	7,502,068	6,841,340	6,746,270
Dry tailings	t	2,139,721	2,573,019	2,884,632	2,772,770	2,844,000

Inert Waste Volume, 2021–2025, million tonnes

In 2025, the generation of overburden, dry magnetic separation tailings and wet magnetic separation tailings decreased by 40%, 16.8% and 45.7%, respectively.

The main reason for the decrease in the volume of generated tailings was lower volume of material mined. In 2025, the volume of material mined was 16,609 tonnes lower compared to 2024.

The waste generation intensity rate per tonne of dried iron ore concentrate produced was:

Indicator	Unit	2025	2024	2023	2022	2021
The volume of production	t	2,925,373	2,377,519	2,466,829	2,569,845	2,557,794
Total hazardous waste	t	3,400	7,720	5,616	3,257	2,711
– Intensity rate	t/t	0.001	0.003	0.002	0.001	0.001
Total non-hazardous waste (inert)	t	32,136,101	53,020,368	58,606,060	52,143,030	54,171,590
– Intensity rate	t/t	10.985	22.301	23.758	19.751	21.179

Treatment & Recycling of Waste

Efficient waste management is an integral part of the implementation of the Company's Environmental Policy, which promotes, amongst other things, better interaction with local communities, the government and investors. IRC continuously works on the optimisation of waste treatment and actively re-uses waste in the production process in order to minimise the amount of waste being disposed of, thereby reducing its environmental impact. The progress and achievement of the Environmental Goals and Targets is assessed annually.

In 2025, the Group reused 4,456,186 tonnes of waste, 89% of which was wet tailings waste. The wet magnetic separation waste generated in 2025 was completely used for the formation of tailings bed and the extension of tailings dam embankments. Dry magnetic separation waste and bottom ash waste were used for road maintenance and construction, namely for filling, and preparation of anti-slip mix. In addition, sawdust was used as an absorbent for oil products.

The amount of waste transported to licensed waste treatment facilities for further treatment was 178.462 tonnes.

The Group continues to adhere to the "Green Office" principle. The Group has developed and implemented the following measures:

- Reduction in the usage of plain paper in the office; used paper is collected and tallied centrally;
- Use of paper certified by the Forest Stewardship Council (FSC);
- Use of office and electronic equipment complying with the latest version of the Energy Star Standard (energy efficiency requirement);
- Cleaning products must meet the following conditions: the content of anionic and/or nonionic surfactants is restricted, the products have to be classified as class 4 (low-hazard substances), and contain no non-pathogenic microorganisms;
- Use of reusable containers for the storage of materials; use of recyclable materials for packaging; reduction of the amount of packaging;
- Providing drinking water in reusable containers or installing drinking water treatment systems to save the number of containers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

The Group placed collection boxes in specific locations to collect waste aluminium, glass, plastic, paper, used batteries, office equipment and other materials generated by our employees, and then transfer it to specialised organisations for disposal, recycling or re-use.

In 2025, the following amount of waste was collected and transferred for disposal/recycling:

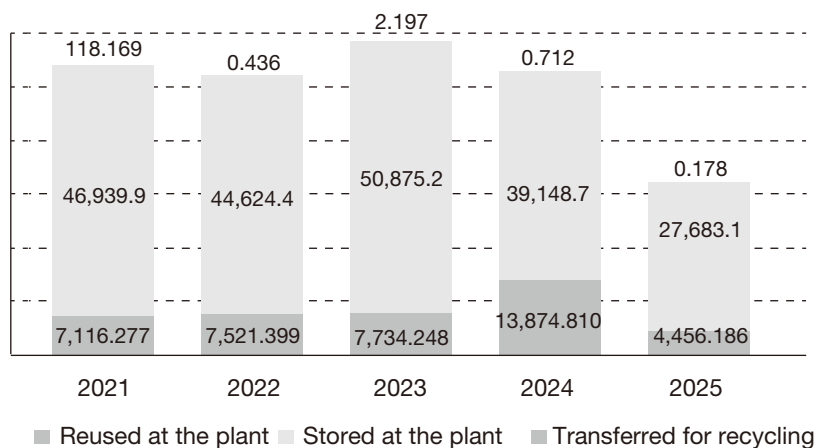
- 9.7 tonnes of wastepaper and cardboard;
- Over 134.052 tonnes of scrap metal were sold for recycling.

In 2025, waste collection and recycling will continue.



Transferring of wastepaper and cardboard, waste mercury lamps

Waste Management, 2021–2025, thousand tones



Waste Management Statistics 2021–2025

Performance Indices	Unit	2025	2024	2023	2022	2021
Generated waste:						
Total	t	32,139,501	53,024,228	58,611,675	52,146,287	54,174,301
Wastes (excluding waste from operations):						
Class I	t	3,400	7,720	5,616	3,257	2,711
Class II	t	–	–	0.030	0.323	0.56
Class III	t	–	–	–	0.604	–
Class IV	t	38.74	36.226	46.627	40.34	35.48
Class V	t	201.057	188.980	207.800	213.84	212.91
Class V	t	3,160	3,635	5,361	3,002	2,462
Waste from operations (inert waste):						
Overburden rocks	t	32,136,101	53,020,368	58,606,060	52,143,030	54,171,590
Wet tailings	t	26,045,408	43,169,908	48,219,360	42,528,920	44,581,320
Dry tailings	t	3,950,972	7,277,442	7,502,068	6,841,340	6,746,270
Dry tailings	t	2,139,721	2,573,019	2,884,632	2,772,770	2,844,000
Waste management:						
Stored at the plant*	t	27,683,136	39,148,705	50,875,230	44,624,452	46,939,855
Reused at the plant	t	4,456,186	13,874,810	7,734,248	7,521,399	7,116,277
Transferred for recycling	t	178.462	712.558	2,197	436.081	118,169
Disposed at the plant	t	–	–	–	–	–

* For further use in rehabilitation of disturbed lands

WATER MANAGEMENT

In 2025, the Group's water intake increased by 142,061 cubic meters compared to 2024, reaching 1,594,360 cubic meters, of which 1,592,946 cubic meters were drawn from natural water bodies and 1,414 cubic meters of water were drawn from the existing municipal water supply system. A total of 62,180 cubic meters of drinking water was used.

In 2025, potable water consumption increased by 2,247 m³ compared to 2024, reaching 62,180 cubic meters. Potable water consumption decreased due to repair and preventive maintenance of water distribution equipment in order to eliminate hidden leaks of potable water. Raising awareness of the Company's employees on the rational use of water resources helped improve control and optimise the consumption of potable water.

A total of 1,473,176 cubic meters of clean water from the "Snarsky" water intake was supplied to the technical system of the processing plant in 2025. Fresh water consumption per tonne of iron ore concentrate produced amounted to 0.545 cubic metres, which was 0.066 cubic metres less than that in 2024. The decrease in water use is insignificant.

The water disposal volume in 2025 was 2,320,083 cubic meters, which 1,361,131 cubic metres more than in 2024. Of this, 2,264,520 cubic meters were discharged into natural water bodies, and 55,563 cubic meters were discharged into the existing waste water treatment plant and other accumulation reservoirs.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

The increased amount of treated water discharged into natural water courses is associated with an increase in the depth of the pits and consequently of water inflows. Incoming ground and surface water (rainwater and meltwater) is pumped from the pit edge and sent for treatment to the pit water settling ponds (#1, #2 and #3), where it is treated to water quality standards for fishery water courses and then discharged into the nearest water course. All necessary permitting documentation for discharge has been obtained. The volume of discharged wastewater is within the approved limits.

Given that the permissible wastewater discharge volume into natural water bodies in 2025 was 5,844,550 cubic meters, the actual wastewater discharge volume of the Group was only 39% of the permissible discharge volume, which meant that the risk of exceeding the permissible discharge volume was very low.

The technical water consumption intensity rate per tonne of dried iron ore concentrate produced was:

Indicator	Unit	2025	2024	2023	2022	2021
The volume of production	t	2,925,373	2,377,519	2,466,829	2,569,845	2,557,794
Total water intake	m ³	1,594,360	1,452,299	1,118,362	1,082,165	933,285
– Intensity rate	m ³ /t	0.545	0.611	0.453	0.421	0.365

Risks and opportunities associated with the water supply of the Group's facilities

In 2025, K&S's water supply was normal, and the mine's industrial and accommodation facilities were all supplied from the "Snarsky" water intake under license BIR 00331BR. The permitted annual water intake was 2.04 million cubic meters (5,600 cubic meters per day), whereas the actual water intake was 1,592,946 cubic meters (4,364 cubic meters per day), accounting for 77.9% of the permitted water intake.

As the processing and production volume of iron ore concentrate will continue to increase, the intake of water is also expected to further increase by 10–20% (1,100–1,200 thousand cubic meters per year). There will be no shortage of fresh water, and no need to find and build up backup sources of water. During 2025, the Group did not experience any issue in sourcing water that is fit for purpose.

As a part of the environmental management system, the Company establishes annual Environmental Goals and Targets for efficient water resources management. The main IRC goal in this area is to prevent pollution of water bodies in the course of the Company's production activities. In 2025, the share of polluted and insufficiently treated wastewater in the total volume of discharge into surface water bodies was reduced through application of the best available technologies (KSkomplekt II-200 wastewater biological treatment plant, pit water settling tanks) and wastewater quality control. No significant changes in the composition of surface and ground water were detected in the reporting year. The impact of production activities on the condition of the water environment is assessed as "low".

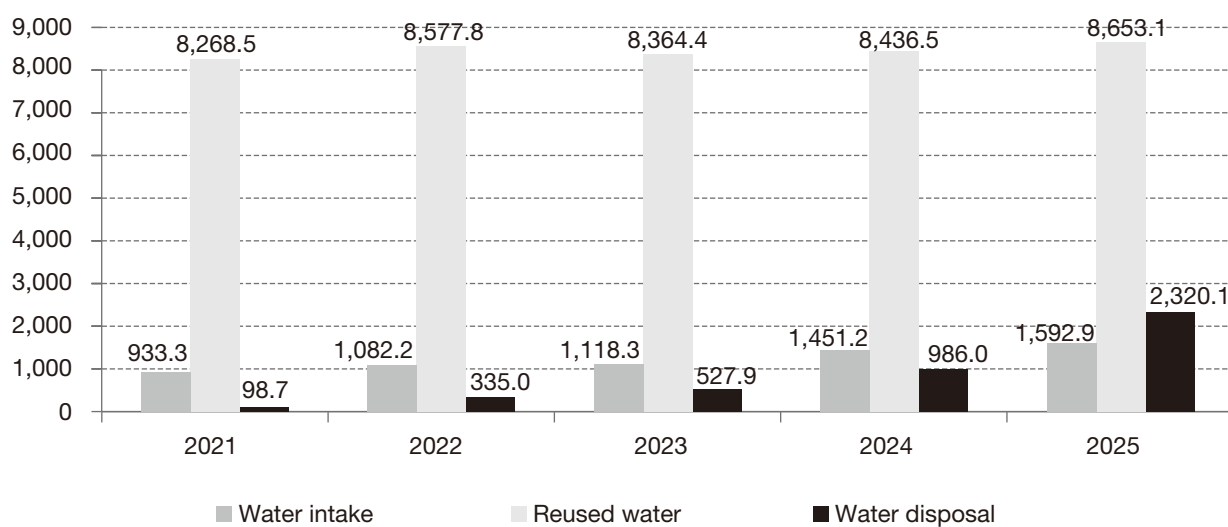
The pit sump of Kimkan Central open pit can be used as an alternative source of technical water supply, as permitted by environmental laws. The use of this water source will reduce the amount of wastewater discharge into the natural water bodies and thus reduce the negative impact on the environment.

The needs of the processing plant in technical water are satisfied by the supply of recycled water from the tailings storage facility. The volume of water in the tailings pond increased to 2,063 million cubic metres, which is 101% more than that in 2024. The increase of water volume in the tailings pond was caused by an increase in the area of the tailings pond, an increase in the height of the main downstream dam, and precipitation in winter and summer periods.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

In 2025, the volume of recirculated water from the tailings storage facility to supply technical water to the processing plant was 8,653,100 thousand m³/year, which is 2.6% more than in 2024.

Specific consumption of recycled water for the production of 1 tonne of iron ore concentrate was 2.55 m³/t, in 2024 3.55 m³/t. The supply of recycled water to the processing plant increased by 5.48% compared to 2024, attributable to higher ore processing volumes at the facility.

Water Consumption and Disposal, 2021–2025 (thousand m³)

Water discharge is carried out on the basis of permits to discharge treated water into water bodies or an agreement on water treatment signed with a specialised organisation. Water intake from existing water supply systems is carried out based on the water supply agreement or under office tenancy agreements.

Water Management Statistics 2021–2025

Performance Indices	Unit	2025	2024	2023	2022	2021
Water Management						
Water intake:						
total	m ³	1,594,360	1,452,299	1,118,362	1,082,165	933,285
from natural water bodies (surface and underground)	m ³	1,592,946	1,451,187	1,117,206	1,080,378	931,975
from existing municipal water supply systems of the settlements	m ³	1,414	1,112	1,156	1,787	1,310
Water disposal:						
total	m ³	2,320,083	985,952	527,944	334,998	98,705
into natural water bodies	m ³	2,264,520	930,550	472,650	271,610	34,540
into the existing municipal sewerage systems of the settlement	m ³	2,638	2,332	2,224	10,048	11,200
other accumulation reservoirs	m ³	52,925	53,070	53,070	53,340	52,965
The volume of recycled water:						
total	m ³	8,653,100	8,436,500	8,364,400	8,577,800	8,268,500

BIODIVERSITY CONSERVATION

As part of the implementation of measures aimed at preserving and maintaining the biodiversity of the regions in which the Group operates (including measures aimed at protecting key habitats and improving the natural habitats of animals and plants), the following measures for prevention of forest fire were taken in 2025:

- 10 warning notices updated;
- service of fire-fighting mineralized strips (4 km);
- production and installation of 20 stands fire propaganda



In order to improve the microclimate on site, reduce noise pollution and improve the ventilation and insulation of the premises, K&S conducts general improvement and landscaping works every year.

In 2025, landscaping works were carried near the office and accommodation buildings at K&S 19 trees (larch, spruce), 8 shrubs were planted and flower beds were set up. In spring, the site underwent its annual tick control treatment.

Compensation for damages

In order to compensate damage to aquatic biological resources during the implementation of projects as part of the development of the Sutara field, 1,046 young Amur sturgeon and chum salmon were released into the Amur River basin in 2025 (at a total cost of over US\$2,500) with the support of Federal State Budgetary Institution ‘Main Basin Administration for Fisheries and Conservation of Aquatic Biological Resources’ (‘Glavrybvod’).

To fulfill the requirements of the state forestry legislation on restoration of forests cleared in 2020–2023, and to preserve biological diversity, in 2025 K&S engaged a specialized contractor to conduct soil preparation in the area of 180 hectares with further planting of 360 thousand seedlings of Daurian Larch (Gmelin) in the amount of pieces. The total reforestation costs were US\$342,000.

In addition to the main reforestation works, preventative agrotechnical maintenance of previously planted forest crops was carried out in the area of 491.7 ha. In addition, 45.7 thousand metres of fire barrier lines (FBL) were cleaned along the perimeter.



Compensatory reforestation, K&S

STAKEHOLDERS ENGAGEMENT

In the Russian Far East, IRC increased activities with stakeholders since 2020, mainly under the “Corporate Framework Programme of Stakeholders’ Engagement and Corporate Standards” and the “Communication in the Environmental Management System” programmes. The Group’s activities aim to engage constructively with all stakeholders in the region; to work closely with stakeholders, to ensure timely disclosure and communication of information at all stages of the project; and to provide a grievance mechanism and file grievance, and report and monitor all procedures.

In 2025, there were no new complaints or suggestions on environmental issues.

PUBLIC HEARINGS AND DISCUSSIONS

Public hearings and other forms of public consultation are part of a direct dialogue with the Group, so that all stakeholders (community, technical specialists and representatives of state regulatory bodies) can ask their questions about the implementation of the project and get responses to their concerns. These public hearings and discussions are regularly attended by IRC managers and dedicated specialists. Public participation meetings are held on a regular basis.

No public hearings were held in 2025, as hearings for all design documentation objects related to the Kimkan and Sutara deposits had already been conducted in 2024, with no comments or suggestions received from the public. Within the framework of new design solutions for the Kimkan deposit, additional public hearings are scheduled for 2026.

CONTROL BY THE AUTHORITIES

In order to comply with the laws and regulations and the requirements of the state supervision and municipal control agencies, the Group conducted on-site and document inspections on a regular basis.

In 2025, seven unscheduled environmental compliance inspections were conducted at the Kimkan and Sutara deposits. Violations identified during the inspections resulted in administrative fines totaling US\$3,000. All violations were promptly rectified, and the fines were paid within the stipulated deadlines.

OPERATING PRACTICES

Supply chain management

IRC’s supply chain management system reflects the movement of materials and products in the Group’s production process, including purchase of materials used in production, product development, sales and logistics.

The supply chain management system was established in accordance with the Group’s current policies, management systems, standards, procedures and processes for managing and controlling the flow of materials and technical resources.

The Group effectively manages business processes and environmental protection issues, social development and human rights, industrial safety and labour protection, and implements the principles of responsible business conduct in the system of relations with suppliers, contractors and product consumers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

Interaction with suppliers and contractors

Procurement is an important part of IRC's supply chain management system. The procurement activities of the company are managed by the procurement department and the materials and technical supply department of the Group.

IRC's procurement process is subject to internal regulations and current rules. According to the principles of competition, fairness and effective selection of suppliers of goods, works and services, the selection of suppliers of goods, works and services are carried out in accordance with the provisions of the public bidding procedures.

The notice of the public request for proposals, as well as the information on the conditions and procedures required by the applicant, the requirements of the applicant and the list of documents to be submitted are published on the "Suppliers" section of the Group's Russian website.

Upon receipt of the proposals, comparisons are made in terms of quality, due diligence, cost, product or service delivery time, payment terms, availability of environmental documentation licenses, and etc. On the basis of these factors, the best proposal and supplier are selected accordingly. The winning supplier shall comply with the requirements specified for the goods, works and services to the best of their ability in accordance with the criteria set out in the public notice of tender. An agreement with the bid-winning supplier will be concluded to further regulate the relationship between the two parties on this basis. When all conditions are the same, priority should be given to domestic suppliers when selecting. An exception is made if the supplier (or its distributor) manufactures exclusive products which cannot be replaced.

Our Group is very concerned about health, safety and environmental issues, including but not limited to, the identification of environmental and social risks along the supply chain, and promotion of environmentally preferable products and services when selecting suppliers, and expects our contractors and suppliers of materials and technical resources to adopt similar approaches.

In accordance with the terms of the goods/works/services' supply contracts, all suppliers and contractors are committed to complying with the requirements of the current legislation and regulations, as well as the policies of the Group in the field of labour protection, industrial safety or environmental protection and sustainability approach.

The following mandatory requirements are part of the contracts:

For product suppliers:

- IRC has the right to require suppliers to provide information about the potential negative impact of their products on the environment, as well as to assess the legality of the documents (licenses, conclusions, and certificates) provided by suppliers;
- Set additional conditions, such as ensuring that the products meet sanitary and environmental standards, as shown by a certificate or declaration of compliance, a sanitary epidemiology conclusion, or the opinion of environmental experts;
- Materials and semi-finished products supplied must have storage and operating manuals, as well as instructions for proper disposal, to ensure environmental protection.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

For service providers:

- When a contractor starts to work/provide services in the Group's facilities, it shall put information notice at the workplace before the contractor begins working in the Group's facilities, provide personal protective equipment suitable to the nature of the job, and confirm first aid skills;
- Notify the Group of all incidents that happened during the execution of work;
- Collection and disposal of waste without permission, discharge of wastewater (liquid waste) and chemical substances, discharge of pollutants into the air, and pollution of soil during work at the Group facilities are prohibited.

The Group shall continue to monitor the activities of the contractors to ensure their compliance with these requirements.

Local Supplier Support

The company is constantly seeking to attract new suppliers and contractors by means of direct requests for quotations, as well as through the e-procurement electronic platform B2B-CENTER.RU. The main purchases of goods and services are carried out on the open electronic platform B2B-CENTER.RU. Companies (or plants) located in the Russian Federation, especially in the Far East and Zabaikalsky Krai regions, have priority in the process of supplier selection. To make a decision, several quotations for the same positions are requested. Often an engineering approach is applied and the initially requested item is replaced by an analogue with the same or better specifications. For instance, lining and spare parts for crushing and comminution equipment, filter covers for vacuum filters and bag filters are being constantly searched. Selection of manufacturers of grinding balls and lining materials is carried out taking into account their further service life. Analogues of pipe fittings from different producers are selected. The flocculants used have been replaced. All information is presented at the tender committee meeting and the following purchases are made on the basis of this information.

The number of procurement procedures on the electronic trading platform B2B-CENTER.RU in 2025 was 303 units. The number of procurement procedures, the amount of which is US\$6,725,100 processed by the Tender Committee is 365.

The Group increased revenue of more than 19% (US\$6,637,600) for Far Eastern area suppliers of goods and services. The number of EAO counterparties in 2025 was 128 organisations and individual entities. More than 65 individual entrepreneurs and farms from EAO supply food products (vegetables, meat and dairy products) and other goods to K&S under long-term contracts.

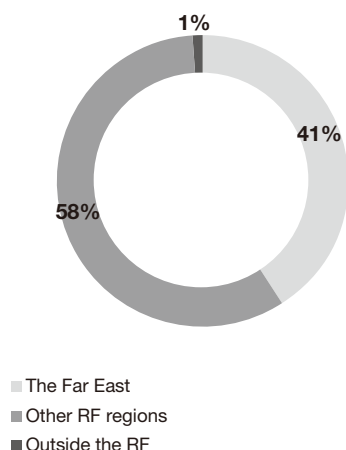
Information about product and service providers in 2025

Suppliers (by geographical region)	Quantity
The Far East including:	426
Jewish Autonomous Region (EAO)	128
The Khabarovsk Territory	227
Amur Region	40
Other Far East regions (Primorsk Territory, Yakutia)	31
Other regions of Russia	613
Outside of Russia	13

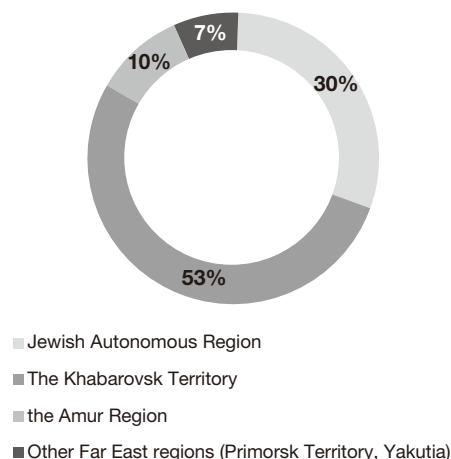
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

In 2025, Forests recultivation company SpecSemLesKhozJSC, (Jewish Autonomous Region) provides reforestation services for more than US\$708,600 (in 2024 – US\$538,742).

Distribution of suppliers by regions of Russia, 2025



Distribution of suppliers in the Far East, 2025



PRODUCT RESPONSIBILITY

Product quality management is one of the most important factors for improving the competitiveness of the Group’s products on the market. The quality control of IRC’s product is carried out at all stages of production: from ore mining to product transport.

In order to ensure and maintain the high quality of the finished product, the Technical Control Department conducts on-site product sample tests. Employees regularly monitor the quality of raw materials and finished products according to the process test card of the processing plant. They will check whether the quality of the product meets the technical requirements.

The plant’s central laboratory performs quality control of the finished product. During its operations, the central laboratory must adhere to the related regulations. The scope of the central laboratory’s activities, organisational structure, duties, roles, and other activities are all specified in this regulation.

Sampling, preparation of sample, testing, issuance of results, and quality control are all done in accordance with the Technical Specification, the Process Testing Card of the Process Plant, the Quality Manual of the Central Laboratory, the Production Instructions, GOSTs, Federal State Unitary Enterprise VIMS, and other regulatory technical documentation.

If deviations from the product quality parameters specified in the technical conditions are identified, the plant’s technicians will take immediate action to find and remove all weaknesses in the process chain.

In order to provide customers with additional product information on the Al2O3 content in the concentrate, the Company’s Central Laboratory has developed and is using methods to determine additional components of seaborne iron ore concentrate.

In order to provide customers with accurate information about the safety of industrial use, storage, transportation and disposal of chemicals, the Group has issued and registered a safety passport for chemical products used in the production of concentrate, which make indispensable part of the technical documents. Any hazardous products must include warning labels.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

According to the current "Safety Passport", since iron ore concentrate are non-radioactive, non-toxic, non-combustible, and fire and explosion resistant, finished products are transported in bulk by rail on open-top wagons, without the use of special labels or packaging materials.

Iron ore concentrate must comply with the technical specification TU 07.10.10-001-73844898-2018 (2020). In the laboratory control process, any concentrate that does not meet the technical conditions will be stored separately, and then blended with other concentrate until it meets the declared conditions.

The contract specifies all procedures for interacting with the buyer.

The relevant provisions of the supply contract shall ensure that trade secrets relating to prices and consumer data are maintained. This provision stipulates that the parties are obliged to observe the confidentiality laid down in the contract.

Generally, a separate confidentiality agreement should be signed before reaching a final agreement with the buyer, which is the procedure and conditions for protecting the information transmitted between the two parties during the product supply negotiation process.

Striving to protect customer data and privacy, the Group ensures that the information collected from customers will only be used for the purposes agreed mutually. All sensitive information is secured and reserved safely with limited access granted to authorised staff only.

There were no product recalls or products and service related complaints during the reporting year. Given the nature of the Group's business, and that the commodity supply of the Group normally poses little or no safety and health issues, the Group does not generally adopt a product recall procedure. The Group was not aware of any incidents of non-compliance with relevant laws and regulations regarding health and safety, advertising, labelling, and privacy matters relating to products and services provided and methods of redress that have significant impact on the Group.

Observing and protecting intellectual property rights

IRC has introduced the Automatic Process Control System (APCS) to meet the requirements for productivity, product features and energy consumption through effective management to ensure reliable and safe operation of the Group.

In order to avoid any leakage or distortion of information, the requirements for the protection of confidential data must be strictly followed when establishing an automated process control system. When managing the access keys of the automated process control system during the production process, the Group introduced access restriction. The employment contracts provided for the relevant provisions on the disclosure obligation. The Group also provides licensed software to its employees. Any contract for the development of design documentation should contain requirements for the transfer of intellectual property rights from the designer to the customer.

ETHICS AND INTEGRITY

IRC is committed to complying with all applicable laws, regulations and Group policies for the conduct of business and operations with high ethical, honest and integrity standards. This requires that all Group members must comply with a uniform standard of conduct which exceeds statutory mandates. These policies apply to our directors, officers and any employees in order to ensure responsible behaviour and protect the rights of stakeholders in the event of a conflict of interest.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

Areas covered include but are not limited to:

- bribes, gifts and entertainment;
- conflict of interest;
- fair competition;
- insider information;
- discrimination, harassment and misconduct;
- equal opportunities;
- privacy and information protection;
- health and safety at the workplace;
- considerateness and civic responsibility; and
- reporting improper conduct.

COMMUNITY INVESTMENT

Giving back to the society is one of the most important principles of the Group. IRC is committed to communicate with the communities to understand their needs, and is open to communications with our stakeholders, employees, government authorities, the communities and other industry player, and encourages proactive community involvement. IRC has fully demonstrated its role as a socially responsible company. The Group sponsored sports and cultural facilities in the regions in which it operates and promotes the development of sports, science and arts.

The Group carried out the following tasks in 2025:

- The Group provided financial support to children's educational institutions and orphanages – allocated funds for the purchase of furniture, equipment, clothing, purchase of office equipment;
- Gifts were given to children to celebrate the New Year;
- The Group provided financial support to Public organization "Society for the Protection of Animals of the Obluchenskiy District" with maintenance of homeless animals.

The total amount of funding for charitable activities was US\$42,680 in 2025.

ANTI-CORRUPTION

In accordance with the requirements of Russian law (No. 273, 2008 "Anti-Corruption") ("Anti-Corruption Law"), IRC has actively pursued anti-corruption policies on a voluntary basis to prevent and combat corruption. These policies include not only activities within the Group, but also cover the government and business partners. The Group's anti-corruption policy is guided by the principle of transparency. Although the Group engages in charitable and sponsorship activities, it complies with relevant laws and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

The Group's internal documents must comply with the anti-corruption policy and the Group is continually improving its system of public procurement procedures to reduce the risk of corruption, reviewing contractors' background to prevent undisclosed related parties and other potential conflicts of interest, and conducting internal investigations in the event of damage to the product or equipment. The Group has also set up "Corporate Whistle-blower Mailbox," which is an important part of the anti-corruption policy of the Group because it allows employees to provide information and feedback that can be used to investigate and resolve potential cases of corruption.

In accordance with the Article 13.3 of the Anti-Corruption Law, the Group is obliged to develop and adopt measures to prevent and combat corruption. To ensure this work, the Group approved the following corporate documents:

- Code of professional ethics for employees;
- Anti-corruption policy.

The Group strives to raise the awareness of its employees on anti-corruption. Employees (including Directors) of IRC are provided with and encouraged to study the online materials prepared by the relevant regulatory authorities or consultants on their own. The Group will explore the opportunities of further arranging formal training relating to anti-corruption in the following year.

As part of compliance with the requirements of the anti-corruption legislation, each employee's employment contract has provisions to ensure that the employer is able to control the use of trade secrets and the protection of technology. The Group may use confidential information, anti-corruption and counter-terrorism measures, including the use of polygraphs, to obtain information from employees regarding violations of confidentiality.

In order to avoid the personal interests of employees affecting their works and businesses, the Labour Agreement also has provisions to ensure that employers take measures to identify, prevent and resolve conflicts of interest. In addition, the contract with a contractor must disclose the information on the final beneficiary in order to reduce the possibility of a conflict of interest with the contractor.

During the Year, the Group did not experience any case of violation of laws and regulations on bribery, corruption, extortion, fraud and money laundering. During the reporting period, there was no legal cases regarding corrupt practices brought against the Group and its employees.

WHISTLEBLOWING

IRC's misconduct notification policy encourages all internal and external stakeholders to confidentially report actual or suspected misconduct to the Group. Employees can make written reports by mail or e-mail. After receiving the report, an independent senior staff member will conduct the investigation on behalf of the audit committee, supplemented by relevant internal audit, human resources and legal functions. The results (including final disposition, impact, implications, and disciplinary or corrective actions) will be reported to the Chairman of the Executive Committee and the Board and/or regulatory agencies (if applicable).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

Summary of IRC Environmental Statistics 2021–2025

Performance Indices	Unit	2025	2024	2023	2022	2021
1. AIR POLLUTANTS & EMISSIONS						
Greenhouse gases emissions (CO₂):						
Total	t	51,677	47,784	54,719	57,856	57,735
Coal combustion	t	43,822	42,378	49,660	52,758	53,031
Diesel fuel combustion	t	7,100	4,723	4,443	4,477	4,112
Gasoline combustion	t	755	682	616	621	591
Kerosene combustion	t	0	0.867	0.013	0.00	1.03
Mass of emitted hazardous pollutants:						
Total	t	2,174	4,009	4,071	3,923	3,614
Liquid and gaseous substances	t	1,673	2,620	1,418	2,610	2,363
Solid substances	t	501	1,390	2,653	1,312	1,251
Percentage of maximum permitted emission:						
Solids	%	98.69	98.88	99.88	99.88	99.6
Liquid and gases	%	100	100	100	100	100
Pollutants removed by gas treatment:						
Total removed, of which,	t	5,596	4,871	4,850	4,850	21,165
Solid substance	t	5,596	4,871	4,850	4,850	21,165
Liquid and gaseous substances	t	0.003	0.003	0.003	0.003	0.004
2. LAND USE & REHABILITATION						
Total area of land in use	ha	3,098	3,005	2,594	2,444	2,117
New surfaces disturbed in the reporting period	ha	220.63	122.07	115.28	144.92	92.23
Rehabilitated land						
Area of rehabilitated land	ha	-	-	-	-	-
Topsoil used	m ³	-	-	-	-	-
Preservation of topsoil						
Moved to stockpiles	m ³	-	-	-	-	-
Total topsoil stored at 31 December	m ³	1,287,700	1,287,700	1,287,700	1,287,700	1,287,700
Forest plantation						
Total	ha	180	234.5	84.4	82.40	114.10

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

Performance Indices	Unit	2025	2024	2023	2022	2021
3. WASTE MANAGEMENT						
Generated waste:						
Total	t	32,139,501	53,024,228	58,611,675	52,146,287	54,174,301
Wastes (excluding waste from operations):						
Class I	t	3,400	7,720	5,616	3,257	2,711
Class II	t	-	-	0.030	0.323	0.56
Class III	t	38.74	36.226	46.627	40.34	35.48
Class IV	t	201.057	188.980	207.800	213.84	212.91
Class V	t	3,160	3,635	5,361	3,002	2,462
Waste from operations (inert waste):						
Overburden rocks	t	26,045,408	43,169,908	48,219,360	42,528,920	44,581,320
Wet tailings	t	3,950,972	7,277,442	7,502,068	6,841,340	6,746,270
Tailings	t	2,139,721	2,573,019	2,884,632	2,772,770	2,844,000
Waste management:						
Disposed at the plant	t	-	-	-	-	-
Reused at the plant	t	4,456,186	13,874,810	7,734,248	7,521,399	7,116,277
Stored at the plant	t	27,683,136	39,148,705	50,875,230	44,624,452	46,939,855
Transferred for recycling	t	178	713	2,197	436	118,169
4. WATER MANAGEMENT						
Water intake:						
Total	m3	1,594,360	1,452,299	1,118,362	1,082,165	933,285
from natural water bodies (surface and underground)	m3	1,592,946	1,451,187	1,117,206	1,080,378	931,975
from existing municipal water supply systems of the settlements	m3	1,414	1,112	1,156	1,787	1,310
Water disposal:						
Total	m3	2,320,083	985,952	527,944	334,998	98,705
into natural water bodies	m3	2,264,520	930,550	472,650	271,610	34,540
into the existing municipal sewerage systems of the settlement	m3	2,638	2,332	2,224	10,048	11,200
Other accumulation reservoirs	m3	52,925	53,070	53,070	53,340	52,965
The volume of recycled water:						
Total	m3	8,653,100	8,436,500	8,364,400	8,577,800	8,268,500
5. ENERGY CONSUMPTION & CONSERVATION						
Electricity	kWh	258,852,828	253,897,279	253,685,806	251,198,047	251,468,468
Diesel fuel	l	2,713,556	1,805,030	1,691,336	1,696,908	1,558,572
Gasoline	l	336,289	303,564	270,469	268,452	255,476
Coal	t	27,277	25,407	28,760	29,240	29,391
Kerosene	l	-	341	5	-	407
Gas	m3	-	-	-	-	-

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

HKEX ESG REPORTING GUIDE CONTENT INDEX**HKEx ESG**

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A3 The Environment and Natural Resources		
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* Shipment of finished products – iron ore concentrate to consumers is made by rail in gondola cars without additional packaging.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED...)

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CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICE

The Board (the “Board”) of Directors (the “Directors”) of IRC is committed to promoting good corporate governance to safeguard the interests of the shareholders and to enhance the Group’s performance. The Group believes that conducting its businesses in an open and responsible manner and following good corporate governance practices serve its long-term interests and those of its shareholders.

The Board as a whole is responsible for performing the corporate governance duties and ensuring compliance with the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company has applied the principles of the Corporate Governance Code (the “CG Code”)* as stated in Appendix C1 to the Listing Rules to its corporate governance structure and practices as described in this report. The Board reviews at least annually the corporate governance practices of the Company to ensure its continuous compliance with the CG Code and make appropriate changes if considered necessary. The Board oversaw the work of the Audit Committee, Remuneration Committee, Nomination Committee and Health, Safety and Environment Committee and reviewed the effectiveness of the Group’s risk management and internal control systems.

As part of its responsibility for corporate governance, the Board reviewed the Company’s corporate governance policies and procedures and the Company’s compliance with the CG Code and the disclosure in this report, reviewed the training provided to Directors and senior management, training materials provided to employees and directors and reviewed the Group’s policies and practices on compliance with legal and regulatory requirements.

* The amendments to the CG Code effective on 1 July 2025 will apply to corporate governance reports and annual reports for financial years commencing on or after 1 July 2025. For this annual report, the Company shall refer to the then effective CG Code.

CORPORATE CULTURE

The Group recognises that a good corporate culture is necessary to support and complement its corporate governance efforts and corporate image, and has gradually developed a corporate culture emphasising on lawful, ethical and responsible business conduct over the years, which has been reflected in the overall operations and management of the Group, in order to facilitate the long-term sustainability of the Group.

BOARD OF DIRECTORS

The Board provides leadership and supervises the overall direction of the Group’s businesses. The Board plays a critical role in ensuring that the Company’s corporate governance best serves the Company’s interest in building a sustainable business. Under the leadership of the Chairman, the Board cultivates good governance as the cornerstone of the Company’s corporate culture.

Board Size, Composition and Appointments

As at 31 December 2025, the Board comprised six Directors with one Executive Director and five Non-Executive Directors, of which four of them – representing more than half of the Board – are Independent Non-Executive Directors. The names of the Directors, by category, are set out in the Directors' Report. The number of Independent Non-Executive Directors meets the requirements under Rules 3.10(1) and 3.10A of the Listing Rules. Three of the Independent Non-Executive Directors possess the appropriate professional qualifications or related financial management expertise, meeting the requirement under Rule 3.10(2) of the Listing Rules. Each of the Independent Non-Executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. Each Member of the Board ensures that he can give sufficient time and attention to the affairs of the Company and contribute to the development of the Company's strategy and policies through independent, constructive and informed comments. Each member of the Board is required to confirm his other directorships, major appointments and interests to the Company. None of the members of the Board holds seven (or more) directorships in listed companies (including the Company) or holds any cross directorships or has significant links with other members of the Board through involvements in other companies or bodies.

The Board selects Independent Non-Executive Directors based on their qualification and experience and hence their ability to contribute to the affairs of the Group, and of overriding importance is their possession of a mindset that is independent and constructively challenges management's views. The Non-Executive Directors (including the Independent Non-Executive Directors) are appointed for a specific term not exceeding three years and are subject to retirement by rotation.

Independent Non-Executive Directors are identified as such in all corporate communications containing the names of the Directors. An updated list of the Directors identifying the Independent Non-Executive Directors and the roles and functions of the Directors is maintained on the websites of the Company and the Stock Exchange.

The roles of the Chairman and the Chief Executive Officer are separated and are performed by Nikolai Valentinovich Levitskii and Denis Cherednichenko, respectively.

As at 31 December 2025, the Board has a total of four Independent Non-Executive Directors and the Company considered all of them independent. The Board will continue to periodically seek new Independent Non-Executive Directors to join the Board, so as to sustain its source of independent views.

There is no relationship (including financial, business, family or other material/relevant relationships) between members of the Board and in particular, between the Chairman and the Chief Executive Officer.

Balance, Diversity and Skills

The Company recognises the importance of diversity among its Board members, which not only contributes to the effectiveness of the Board but also to the success of the Group's business. Our Non-Executive Directors (including the Independent Non-Executive Directors) have diverse backgrounds in areas such as economics, finance, business management, professional practices, and mining management. The Board remains committed to ensuring that the selection of candidates for Board appointments is based on a range of diverse perspectives, including nationality, age, professional background, skills, knowledge and experience.

CORPORATE GOVERNANCE REPORT (CONTINUED...)

The Board believes that the balance between Executive and Non-Executive Directors is reasonable and adequate to provide sufficient checks and balances that safeguard the interests of shareholders and the Group. The Non-Executive Directors provide the Group with diverse expertise and experience. Their views and participation in Board and committee meetings bring independent judgement and advice on issues relating to the Group's strategies, performance, conflicts of interest and management process, ensuring that the interests of all shareholders are taken into account. Among four of the Company's Independent Non-Executive Directors, three of them possess the appropriate professional accounting qualifications or related financial management expertise as required under the Listing Rules. For further details on the Company's board diversity policy and independence of Independent Non-Executive Directors, please see the sections headed "Board Diversity Policy" and "Independence of Independent Non-Executive Directors" below.

In terms of gender diversity, while there is already one female director on the Board as at 31 December 2025, the Company and the Nomination Committee recognise the importance and benefits of gender diversity at the Board level and are committed to continue to identify female candidates and ensure at least one member of the Board shall be female.

As of 31 December 2025, the gender ratio in the workforce (including senior management) is approximately 72% male and 28% female, which is regarded by the Board as satisfactory and in line with the industry which the Group operates its businesses in. The Group provides equal opportunity to all employees regardless of gender, race, age, nationality, religion, sexual orientation, disability, and other aspects of diversity and are against any forms of discrimination.

The Company will continue to take gender diversity into consideration during recruitment such that there is a pipeline of potential candidates in all working levels and successors to the Board in the future. The Board will periodically monitor the gender composition of the workforce and set targets if and as needed.

Training and Continuous Professional Development

The Group provides briefings and other training to develop and refresh the Directors' knowledge and skills. The Group, together with its legal counsel and external auditors, continuously update Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

During the year, the Company organised a formal training session for the Directors. The training session covered topics including updates on accounting, tax, and the corporate governance environment.

A summary of training received by the Directors for the year ended 31 December 2025 is as follows:

Directors	Type of training
Executive Director	
Denis Cherednichenko <i>(Chief Executive Officer)</i>	A, B
Non-Executive Director	
Nikolai Valentinovich Levitskii	A, B
Independent Non-Executive Directors	
Dmitry Vsevolodovich Dobryak	A, B
Natalia Klimentievna Ozhegina	A, B
Vitaly Georgievich Sheremet	A, B
Alexey Mihailovich Romanenko	A, B

Notes:

- A: Attending briefing sessions and/or seminars
- B: Reading seminar materials and updates relating to the latest development of the Listing Rules and other applicable regulatory requirements

Regular Meetings

The Board meets regularly to review the Group's operational performance, financial statements, any material investments, dividend policy, major financings, treasury policies and changes in accounting policies. All Directors have access to Board papers and related materials which are provided in a timely manner, and are able to include matters in the agenda for Board meetings.

The Board held five meetings in 2025. The attendance of individual Directors at board meetings (as well as committee meetings and the annual general meeting) is set out in the table on page 102.

Company Secretary

Mr. Johnny Shiu Cheong Yuen, the Company Secretary, supports the Chairman, the Board and the Board Committees by ensuring good information flow and that the policies and procedures of the Board are followed. The Company Secretary advises the Board on governance matters and facilitates the induction and professional development of Directors. The Company Secretary is an employee of the Company and is appointed by the Board. All Directors may call upon the Company Secretary for advice and assistance at any time in respect to their duties and the effective operation of the Board and Board Committees. The Company Secretary also plays an essential role in the relationship between the Company and its shareholders, including assisting the Board in discharging its obligations to shareholders pursuant to the Listing Rules. The Company Secretary has taken no less than 15 hours of relevant professional training in the year ended 31 December 2025 in accordance with the requirement under Rule 3.29 of the Listing Rules. For the biographical details of Mr. Yuen, please refer to the section headed "Board of Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary" in this annual report.

BOARD COMMITTEES

The day-to-day management and operation of the Group is delegated to the Executive Committee ("EC"), which comprises the Executive Director, Chief Financial Officer, Company Secretary and other senior management members of the Group. The EC is the principal management decision-making body on all day-to-day operations and business affairs of the Group. The EC operates under guidelines and delegated authorities from the Board and meets on a regular basis.

Audit Committee

The Audit Committee consists of three Independent Non-Executive Directors – Alexey Mihailovich Romanenko (Chairman), Dmitry Vsevolodovich Dobryak and Vitaly Georgievich Sheremet. Members of the Audit Committee hold the qualification as required under Rule 3.21 of the Listing Rules. The principal duties of the Audit Committee include the following:

- to review the accounting principles and practices adopted by the Group;
- to review and supervise the Group's financial reporting system, risk management and internal control procedures; and
- to review the independence and objectivity of the external auditor, the scope of audit services and related audit fees payable to the external auditor.

The terms of reference for the Audit Committee are maintained on the websites of the Company and the Stock Exchange.

Summary of work in 2025

During 2025, the Audit Committee:

- reviewed the independence and objectivity of the external auditor and recommended to the Board the appointment of external auditor;
- reviewed the Group's interim and annual results;
- reviewed the Group's risk management and internal control systems;
- reviewed the effectiveness of the Group's internal audit function;
- held discussions with the external auditor regarding financial reporting, compliance, scope of audit and related audit fees;
- reviewed policies for maintaining independence; and
- reported findings to the Board.

Review of financial results

The Audit Committee reviewed the Company's 2025 consolidated financial statements in conjunction with the external auditor. Based on its review and discussions with the senior management of the Company, the Audit Committee was satisfied that the consolidated financial statements were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the year ended 31 December 2025. The Audit Committee therefore recommended the consolidated financial statements for the year ended 31 December 2025 be approved by the Board.

During 2025, the Audit Committee also reviewed the Company's 2025 interim results in conjunction with the external auditor. Based on its review and discussions with the senior management of the Company, the Audit Committee was satisfied that the Group's 2025 interim results were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the six months ended 30 June 2025.

For the year ended 31 December 2025, the Audit Committee had a meeting with the external auditor in the absence of the Company's management.

Review of the risk management and internal control systems

The Audit Committee reviewed the effectiveness of the Group's risk management and internal controls system annually by reviewing the work of the internal audit function and the Group's external auditor, and considering reports from management on risk management and internal controls. Review has also been conducted during the year ended 31 December 2025 and the Audit Committee is satisfied that the Group has proper risk management and internal control systems in place.

Review of the effectiveness of the Group's internal audit function

The Company has an internal audit function which reports directly to the Audit Committee. The Audit Committee reviews the effectiveness of the Group's internal audit function annually, in particular the adequacy of the resources, staff qualifications and experience, training and budget of the Group's accounting, financial reporting and internal audit functions. Review has also been conducted during the year ended 31 December 2025 and the Audit Committee is satisfied that the Group has proper internal audit function in place.

The Audit Committee met three times in 2025 and the attendance of Committee members is set out in the table on page 102.

Remuneration Committee

The Remuneration Committee consists of two Independent Non-Executive Directors, namely – Dmitry Vsevolodovich Dobryak (Chairman) and Natalia Klimentievna Ozhegina, and a Non-Executive Director, namely Nikolai Valentinovich Levitskii. The principal duty of the Remuneration Committee is to review and make recommendations to the Board on the Group's policy and structure for all remuneration of Directors and senior management.

The Remuneration Committee reviews the structure of remuneration for the Board on an ongoing basis and has the responsibility for the determination, within agreed terms of reference, of specific remuneration packages for all Directors and other members of the Executive Committee, including salaries, retirement benefits, bonuses, long-term incentives, benefits in kind and other compensation payments. The Remuneration Committee is committed to bringing independent thought and scrutiny to the development and review process of the Group with regards to remuneration. Furthermore, the Remuneration Committee is also responsible for overseeing the matters relating to the share option scheme of the Company.

Summary of work in 2025

During 2025, the Remuneration Committee:

- reviewed the remuneration policy and practices for 2025;
- reviewed the structure of remuneration for the Board of Directors; and
- determined specific remuneration packages and performance bonuses of individual Directors and members of the Executive Committee.

The Company's remuneration policy is designed to attract, retain and motivate the highly talented individuals needed to deliver its business strategy and to maximise shareholder value. Consistent with previous years, the policy for 2025 and so far as practicable, for subsequent years, is framed around the following principles:

- remuneration arrangements will be designed to support the Company's business strategy and to align it with the interests of the Company's shareholders;
- total reward levels will be set at appropriate levels to reflect the competitive global market in which the Company operates, with the intention of positioning such levels within a peer group of global mining companies;
- a high proportion of the remuneration should be "at risk", with performance-related remuneration making up at least 50% of the total potential remuneration for Executive Committee members; and

- performance-related payments will be subject to the satisfaction of demanding and stretching performance targets over the short and long term, which are designed to promote the long-term success of the Group. These performance targets will be set in the context of the prospects of the Group, the prevailing economic environment in which it operates and the relative performance against that of competitor companies.

The Remuneration Committee considers that a successful remuneration policy needs to be sufficiently flexible to take into account future changes in the business environment and in remuneration practices. Consequently, the remuneration policy and the Remuneration Committee's terms of reference are reviewed annually to reflect matters such as changes to corporate governance best practice or changes to accounting standards or business practices among peer group mining companies. This will help ensure that the policy continues to provide the Company with a competitive rewards strategy. In doing so, the Remuneration Committee will take into account the relevant Listing Rules, the guidance of independent consultants and best-practice on the design of performance-related remuneration.

The terms of reference for the Remuneration Committee are maintained on the websites of the Company and the Stock Exchange. The Remuneration Committee adopts the model described in code provision E.1.2(c)(i) of the CG Code, where it was delegated the responsibility to determine the remuneration packages of individual Executive Director and senior management. Further details of the Group's remuneration policy and practices in 2025 are set out in a letter from the Remuneration Committee Chairman below.

The Remuneration Committee held two meetings in 2025 and the attendance of Committee members is set out in the table on page 102.

A letter from the Chairman of the Remuneration Committee

Dear Shareholders,

On behalf of the Board and the Remuneration Committee, I present the IRC 2025 Remuneration Report.

We have maintained the format and content of the Remuneration Report to provide a clear explanation of our rationale for determining remuneration policy, annual awards and longer-term incentives, a format that we believe is:

- clear and transparent;
- conforms to Hong Kong requirements; and
- in line with best practice in the international markets.

Consistent with previous years, the Remuneration Committee has considered and determined all elements of remuneration solely in the context of assessing the Group's achievements and, where relevant, individual performance on a standalone basis during 2025.

Our remuneration policy continues to aim to attract, retain and motivate the high-performing individuals we rely on to deliver our business strategy and create long-term value. We believe that performance-related pay should incentivise exceptional performance and that rewards should be closely linked to and commensurate with performance. As a result, performance-related pay represents a significant portion of total pay for Directors and senior management.

For the Executive Director, "at risk" performance-related pay typically represents more than 50% of total available remuneration. We measure performance against a broad range of health and safety, sustainability, financial and operational criteria. We benchmark our remuneration against the global mining industry and our primary peer group, as well as global companies. Further details regarding our remuneration policy are set out in the following pages. It is the Remuneration Committee's intention to continue to apply this remuneration policy in the future for as long as IRC remains an independent, listed company.

Full details regarding the above activities are set out below.

Members

The Remuneration Committee is chaired by an Independent Non-Executive Director and its composition during 2025 and details of its role, meetings and activities can be found on page 91 under the heading "Remuneration Committee" of the Company's 2025 Annual Report.

The Remuneration Committee receives advice on pay and conditions across the Group from the Chairman, Chief Executive Officer and Company Secretary of IRC although they do not attend all meetings of the Remuneration Committee. An independent certified public accountant firm provided independent advice to the Remuneration Committee on certain areas of executive remuneration, if required. Independent law firms also provided legal advice on incentive plan rules (as well as legal advice to the Group).

Remuneration policy

Our remuneration policy and practices aim to attract, retain and motivate the high-performing individuals we rely on to deliver our business strategy and create long-term value. We believe that performance-related pay should incentivise exceptional performance and that rewards should be closely linked to and commensurate with performance. As a result, for 2025, the remuneration of individuals within the Group have been determined on the following basis:

1. Over 50% of the potential executive pay package is performance-related and therefore “at risk” (i.e. the contractual obligation to pay is dependent on satisfaction of performance criteria).
2. For exceptional performance, potential pay levels are positioned in the upper quartile in comparison to the global mining industry.
3. Performance is assessed on a holistic basis, taking into account a wide variety of factors that are aligned to the delivery of superior long-term returns to IRC’s shareholders and continuous and sustainable improvements in the underlying operating and financial performance of IRC.
 - Individual performance criteria for annual bonus awards reflect health and safety, environment and sustainability performance; financial performance in both absolute and relative terms; and the effective delivery of strategic priorities including the project pipeline, and various lead performance indicators. The use of multiple factors ensures that bonuses cannot be earned on the basis of inappropriate or risky behaviour and avoids rewarding achievements against one or narrow objectives that come at the expense of performance in other areas.
 - The value of long-term incentives is dependent upon the performance of the Group and vesting is subject to the satisfaction of stretching performance conditions. In the event that performance is below the relevant threshold, participants will receive no benefit from long-term incentives.
4. Pay arrangements are intended to remain in place, so far as is practicable, throughout the business cycle. We have therefore avoided making frequent changes to incentive arrangements or performance metrics. In determining policy and practice, the key factors we take into account include:
 - the Listing Rules;
 - the CG Code;
 - the competitive environment for experienced personnel in the global extractive industries sector;
 - the guidance provided by a number of institutional investor representative bodies; and
 - feedback received from shareholders.

We also take into account pay and employment conditions across IRC when setting the remuneration of the Chairman and the Executive Director. We do not believe a ratio comparison between the Executive Director and non-Board employees is appropriate. A ratio comparison does not provide a useful measure of fairness or balance due to the vastly different costs of living in the countries where we have operations and fluctuations in exchange rates. However, we regularly assess the fairness and balance of our remuneration policies and practices internally and also benchmark them against our competitors in the various regions in which we operate.

CORPORATE GOVERNANCE REPORT (CONTINUED...)

Base salary

- Purpose**
- Attract and retain talented and experienced executives from an industry in which there is competition for talent;
 - Reflect the individual's capabilities and experience;
 - Reward leadership and direction of IRC on behalf of shareholders.
- Policy**
- Reviewed annually;
 - Set at a competitive level benchmarked against other global mining and major Hong Kong companies using independent external data;
 - Consider the individual's skills, experience and influence over, and responsibility for, the success of the business;
 - The impact of any salary increase awarded on the value of the total package is considered carefully prior to any change being made;
 - Ensure that our approach to pay is consistent across the levels of management.
- Link to strategy**
- Protect and generate shareholder value through the retention and attraction of high-calibre individuals.
- Risk management**
- Enhance retention of key personnel to ensure business continuity;
 - Structured and policy-driven approach to conducting salary reviews.

Salary review for 2025

The remuneration level of the Directors remained unchanged in 2025. The table below summarises the remuneration of the Directors in 2024 and 2025.

	Salaries			Total
	Directors' fees	and other benefits	Discretionary bonus (a)	
	US\$'000	US\$'000	US\$'000	US\$'000
Executive Director:				
Denis Cherednichenko	-	994	316	1,310
Non-Executive Director:				
Nikolai Levitskii	210	-	-	210
Independent Non-Executive Directors:				
Dmitry Dobryak	114	-	-	114
Natalia Ozhegina	114	-	-	114
Alexey Romanenko	114	-	-	114
Vitaly Sheremet (b)	114	-	-	114
Total for 2025	666	994	316	1,976

	Salaries			Total
	Directors' fees	and other benefits	Discretionary bonus (a)	
	US\$'000	US\$'000	US\$'000	US\$'000
Executive Director:				
Denis Cherednichenko	-	957	237	1,194
Non-Executive Director:				
Nikolai Levitskii	210	-	-	210
Independent Non-Executive Directors:				
Dmitry Dobryak	114	-	-	114
Natalia Ozhegina	114	-	-	114
Alexey Romanenko	114	-	-	114
Vitaly Sheremet (b)	114	-	-	114
Total for 2024	666	957	237	1,860

Notes:

- (a) Discretionary bonus is determined by the Remuneration Committee having regard to the performance of the individual and the Group's performance.
- (b) Director's fee was paid to an independent service company which is classed as an affiliated company to the Director.

The remuneration payable to the senior management by band is included in note 14 to the consolidated financial statements.

Executive Committee Bonus Plan

- Purpose
 - Align executives' interests with the short-term goals of IRC and the drivers of the Group's long-term success;
 - Reward the delivery of shareholder value through the effective execution of strategy, the profits delivered to shareholders and lead indicators of future success including safety and environmental sustainability.
- Policy
 - Maximum bonus awarded for truly exceptional performance is 100% of salary;
 - The overall bonus pool is determined according to budgeting analysis;
 - Individual payments are determined with respect to a range of key financial and non-financial metrics. These metrics include health and safety, employee development, environment and sustainability, profit and cash generation, volume and project execution.

Link to strategy

- Provides alignment among the executives' interests, the short-term financial success of IRC and the creation of shareholder value;
- The Remuneration Committee takes a comprehensive view of an appropriate level of award for each individual to ensure that bonus awards truly reflect IRC's performance and management's impact on this (rather than purely resultant from external market and cyclical factors).

Risk management

- Bonus pool analysis alongside budgeting ensures affordability;
- Focus on a wide range of financial and non-financial metrics ensures that bonus rewards sustainable, holistic performance;
- Bonus analysis alongside entire remuneration package, with particular reference to the long-term incentive arrangements (further details below), ensures a focus on long-term sustainable performance and aligns management interest with shareholders;
- Determination process takes account of the extent to which performance has been driven by management activity and planning as opposed to external market and cyclical factors and response to events that were not anticipated at the start of the year.

CORPORATE GOVERNANCE REPORT (CONTINUED...)

Bonus review for 2025

Apart from a discretionary bonus paid to Denis Cherednichenko, an Executive Director, no bonuses were paid to other Directors in 2025.

Long-term incentive arrangements

- Purpose
- Align the financial interests of executives with those of shareholders;
 - Incentivise the creation of shareholder value through the absolute performance of the Company and its assets as well as the recognition of such value creation in the public markets;
 - Provide a focus on long-term, sustainable performance.

Policy

- Share options are granted to high-performing/high potential individuals;
- Vesting is dependent upon pre – determined targets that focus on “Operations”, “Development”, “Profitability” and “Health, Safety and Environment”, normally over a three-year period.

Link to strategy

- Vesting conditions are aligned with strategic direction of shareholder value creation.

Risk management

- Share based incentives ensure a focus on long-term sustainable performance and align management interests with shareholders.

The Company adopted a share option scheme pursuant to Chapter 17 of the Listing Rules on 20 November 2015 (the "Share Option Scheme") which is valid and effective for a period of 10 years from the date of adoption. The Scheme has expired on 19 November 2025. Any employee, Director and any person or entity acting in their capacities as consultants of the Group (the "Eligible Persons") may be granted share options under the Share Option Scheme.

The Company is aware that under the new rule 17.03A of the Listing Rules which came into effect on 1 January 2023, participants of share schemes shall only comprise of employee participants, related entity participants and service providers (as defined in the Listing Rules). The Company will only grant the share options under the Share Option Scheme to eligible participants in compliance with the new rule 17.03A and pursuant to the transitional arrangements for share schemes existing as at 1 January 2023 as specified by the Stock Exchange.

The Share Option Scheme is designed to incentivise, reward and retain key eligible persons in the Group by providing a reward for long term performance of the Eligible Persons and of the Group, and which aligns the interests of the Eligible Persons with those of the Company's long-term shareholders. The Eligible Persons will only benefit from the Share Option Scheme if they satisfy certain conditions, including remaining with the Group for a minimum number of years.

Under the Share Option Scheme, the Remuneration Committee will from time to time propose to the Board for approval the grant of share options and the number of share options to be granted to the relevant Eligible Persons. The subscription price shall be determined by the Board and notified to an eligible person. Performance targets, if any, will be determined by the Board and be stated in the offer. Whether such targets have been successfully achieved will be decided by the Board. The Board may also determine a minimum period of time for which an option must be held before it can be exercised (vesting period). Further details of the Share Option Scheme are set out in note 33 to the consolidated financial statements.

During the initial adoption of the Share Option Scheme, the Remuneration Committee commissioned one of the leading firms of certified public accountants to conduct an independent review of the Share Option Scheme. It is considered that the Share Option Scheme motivates grantees to achieve challenging yet realistic targets, which are crucial in adding significant value to the Company and are in the best interest of IRC shareholders. The certified public accountants firm concluded that the Share Option Scheme is well designed to attract, retain and incentivise grantees.

The number of Options available for grant under the Share Option scheme was 709,338,638 as at 1 January 2025.

No Options were granted, exercised, cancelled or lapsed during the year ended 31 December 2025 and no Options were outstanding during the year. As the Share Option Scheme has expired on 19 November 2025, the number of Options available for grant and the total number of shares available for issue under the Share Option Scheme was nil as of 31 December 2025 and as at the date of this annual report.

Retirement benefits

The Executive Director is entitled to participate in plans which provide retirement benefits. The Company incurred US\$105,000 (2024: US\$105,000) in respect of the retirement benefits of the Executive Director. The level of payment is assessed annually by the Remuneration Committee.

Approved by the Board and issued on its behalf by

Dmitry Vsevolodovich Dobryak

Remuneration Committee Chairman

25 March 2026

NOMINATION COMMITTEE

The Nomination Committee is chaired by the Non-Executive Director and the Chairman of the Board of IRC, Nikolai Valentinovich Levitskii. Its other members are Dmitry Vsevolodovich Dobryak and Natalia Klimentievna Ozhegina, both being Independent Non-Executive Directors. The Committee meets at least once a year.

The Committee met twice in 2025 and the attendance of Committee members is set out in the table on page 102.

The Nomination Committee is responsible for formulating policy and making recommendations to the Board on nominations and appointment of Directors as well as on the diversity and succession of the Board. The Committee develops a policy for the nomination of Directors, including the nomination procedures for candidates and criteria adopted by the Committee to select and recommend candidates for directorship. When assessing the suitability of a proposed candidate, the Nomination Committee will consider different criteria, including the individual's reputation for integrity, appropriate professional knowledge and industry experience, commitment in respect of available time and relevant interest and diversity. Suitable candidates will be recommended by the Nomination Committee to the Board for consideration. The Board, having considered the recommendation from the Nomination Committee, will decide whether to approve the proposed appointment. The Nomination Committee may consult external recruitment professionals when required.

The Board considers that its composition, size and structure are appropriate to the Group's business needs, reflecting a diversity of perspectives and a desirable combination of skills, gender and experience. Succession planning continues to receive close monitoring and the Board will undertake appropriate recruitments having regard to the retirement plan of individual Directors.

Board Diversity Policy

The Board, through the Nomination Committee, has also adopted a Board diversity policy which sets out the approach taken to diversify the members of the Board. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. Ultimately, all Board appointments are based on merit and candidates are considered against objective criteria, but due regard is given for the benefits of a diverse Board. The Board reviews the board diversity policy annually and for the year ended 31 December 2025, the Company has achieved the following measurable objectives that the Board has set for implementing the board diversity policy:

- (i) To ensure at least one member of the Board shall have obtained accounting or other professional qualification;
- (ii) To ensure the appropriate proportion of the Independent Non-Executive Directors to the Executive Director in order to maintain the independence of the Board. In particular, at least one-third of the members of the Board shall be Independent Non-Executive Directors;
- (iii) To ensure at least one member of the Board shall be female.

The Board is therefore of the view that the board diversity policy has been properly implemented and is effective during the year.

Independence of Independent Non – Executive Directors

The Committee also reviews the size, structure and composition of the Board and assesses the independence of the Independent Non-Executive Directors. The Committee is provided with sufficient resources enabling it to perform its duties and it can seek independent professional advice at the Company's expense if necessary. The terms of reference for the Nomination Committee are maintained on the websites of the Company and the Stock Exchange.

The Nomination Committee and the Board are committed to reviewing and assessing the Directors' independence annually in order to ensure that independent views and input of the Independent Non-Executive Directors are made available to the Board. Factors taken into account in such independence review include, and are not limited to, the following:

- (i) required character, integrity, perspectives, skills, expertise and experience to fulfill their roles;
- (ii) time commitment and attention to the Company's affairs;
- (iii) firm commitment to their independent roles and to the Board;
- (iv) declaration of conflicts of interest (if any) in their roles as independent non-executive Directors;
- (v) no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and
- (vi) further reappointment of an independent non-executive Director (including any long-serving independent non-executive Director, where applicable) is subject to a separate resolution to be approved by the shareholders.

Summary of work in 2025

During 2025, the Nomination Committee:

- reviewed the nomination policy;
- reviewed the board diversity policy and considered measurable objectives;
- reviewed the size, structure and composition of the Board;
- considered candidates for directorship;
- reviewed the independence of Independent Non-Executive Directors; and
- reviewed succession planning of the Board and senior executives.

HEALTH, SAFETY AND ENVIRONMENT COMMITTEE

The Health, Safety and Environment Committee consists of three Independent Non-Executive Directors – Natalia Klimentievna Ozhegina (Chairman), Alexey Mihailovich Romanenko and Vitaly Georgievich Sheremet and is responsible for evaluating the effectiveness of the Group's policies and systems for identifying and managing health, safety and environmental risks within the Group's operations and for ensuring compliance with health, safety and environmental regulatory requirements. The Committee also assesses the performance of the Group with regards to the impact of health, safety, environmental and community relations, decisions and actions.

The Committee provides the Board with regular updates to assist in overseeing matters relating to enhancing the Company's global reputation of responsible corporate stewardship, conscientious corporate social responsibility and product sustainability. In doing so, professional advice may be sought if considered necessary. The Committee also has the authority to invite key members of operational management to meetings to discuss the performance of the Group.

Summary of work in 2025

During 2025, the Health, Safety and Environment Committee:

- reviewed the effectiveness of the Group's policies and systems for identifying and managing health, safety and environmental risks within the Group's operations;
- reviewed the Group's performance with regards to the impact of health, safety, and environment matters; and
- provided updates to the Board with respect to health, safety and environmental matters.

For the year ended 31 December 2025, the Committee met once and the attendance of Committee members is set out in the table below.

BOARD, COMMITTEE AND SHAREHOLDER MEETINGS AND ATTENDANCE

The number of meetings the Board and other Board Committees held during 2025 is shown below together with attendance details. The table also shows the Directors' attendance at the general meeting of the Company held in 2025:

	Board	Audit Committee	Remuneration Committee	Nomination Committee	Health, Safety and Environment Committee	2025 AGM
Chairman and Non-Executive Director						
Nikolai Valentinovich Levitskii	5/5	-	2/2	1/1	-	1/1
Executive Director						
Denis Cherednichenko	5/5	-	-	-	-	1/1
Independent Non-Executive Directors						
Dmitry Vsevolodovich Dobryak	5/5	3/3	2/2	1/1	-	1/1
Natalia Klimentievna Ozhegina	5/5	-	2/2	1/1	1/1	1/1
Vitaly Georgievich Sheremet	5/5	3/3	-	-	1/1	1/1
Alexey Mihailovich Romanenko	5/5	3/3	-	-	1/1	1/1

DIVIDEND POLICY

When considering whether to pay any dividend, the Board looks at a range of factors, including the macro environment, the current balance sheet, future investment plans and capital requirements. The Company typically considers paying annual dividends on the basis of its results for the previous year. The dividend policy of the Company aims to provide for a regular and sizeable dividend flow to its shareholders whilst allowing the Company to maintain the financial flexibility to take advantage of attractive investment opportunities in the future.

AUDITORS' INDEPENDENCE AND REMUNERATION

Independence of the auditors is of critical importance to the Audit Committee, the Board and shareholders. The auditors write semi-annually to the members of the Audit Committee confirming that they are independent accountants within the meaning of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants and that they are not aware of any matters which may reasonably be thought to bear on their independence. The Audit Committee assesses the independence and objectivity of the auditors by considering and discussing each such letter (and having regard to the fees payable to the auditors for audit and non-audit work) at a meeting of the Committee.

The Auditors' Report to the shareholders states the auditors' reporting responsibilities.

Fees for services rendered by the external auditors, RSM Hong Kong, of the Company for audit and non-audit services for the year ended 31 December 2025 and the comparative figures for the year ended 31 December 2024 are set out below:

US\$'000	For the year ended 31 December	
	2025	2024
Audit	475	520
Non-audit*	133	146
Total	608	666

* Non-audit services mainly represent the review of the Group's Interim Financial Information for the six months ended 30 June 2025.

SHAREHOLDER RELATIONS

The Board has established a shareholders' communication policy which sets out the principles of the Company in relation to shareholders' communications, with the objective of ensuring that its communications with the shareholders and other investors are timely, transparent, accurate and open. Information is communicated to the shareholders and other investors are mainly through the Company's corporate communications (such as quarterly trading updates, interim and annual reports, announcements and circulars), at the annual general meetings ("AGM") and other general meetings, as well as disclosure on the website of the Company. The Board reviewed the shareholders' communication policy and shareholders and investor engagement and communication activities conducted in 2025 and, taking into consideration the basis set out in the paragraphs below, the Board was satisfied with the implementation and effectiveness of the shareholders' communication policy.

Interim reports, annual reports and circulars are sent to the shareholders and other investors in a timely manner and are also available on the website of the Company. The Company's website provides shareholders and other investors with corporate information, such as its principal business activities and major projects, the corporate governance practices of the Group and the corporate social responsibilities of the Group. For efficient communication with shareholders and other investors and in the interest of environmental protection, arrangements are in place which allow shareholders and other investors to elect to receive corporate communications of the Company by electronic means through the Company's website.

Shareholders are provided with contact details of the Company, such as telephone, fax number, email address and postal address, in all communications to shareholders and on the Company's website which enable them to make any query that they may have with respect to the Company. They can also send their enquiries to the Board through these means, ensuring that shareholders' views are communicated to the Board. The Company's AGM also allows the Directors to meet and communicate directly with shareholders.

In addition, shareholders can contact Union Registrars Limited, the share registrar of the Company, if they have any enquiries about their shareholdings and entitlements to dividend.

AGM proceedings are reviewed from time to time to ensure that the Company follows good corporate governance practices. The notice of AGM is distributed to all shareholders prior to the AGM and the accompanying circular also sets out details of each proposed resolution and other relevant information as required under the Listing Rules. For each separate issue to be considered at the AGM, separate resolutions are proposed by the chairman of the AGM. The chairman of the AGM exercises his power under the Articles of Association of the Company to put each proposed resolution to the vote by way of a poll. The procedures for demanding and conducting a poll are explained at the meeting prior to the polls being taken. Voting results are posted on the Company's website by the next business day after the day of the AGM.

The most recent AGM was held on 25 June 2025 and the attendance of the Directors is set out in the table on page 102. At the AGM, separate resolutions were proposed for each issue and were voted on by way of poll. All of the resolutions proposed at the AGM were passed. The matters discussed and the percentage of votes cast in favour of the resolutions were:

Matters being voted upon	Votes
To receive and consider the reports of the Directors and the auditor of the Company together with the audited consolidated financial statements for the year ended 31 December 2024.	99.99%
To re-appoint RSM Hong Kong as auditor and authorise the Board of Directors to fix their remuneration.	99.99%
To re-elect Mr. Nikolai Valentinovich Levitskii as a non-executive Director.	99.99%
To re-elect Mr. Dmitry Vsevolodovich Dobryak as an independent non-executive Director.	99.99%
To re-elect Ms. Natalia Klimentievna Ozhegina as an independent non-executive Director.	99.99%
To re-elect Mr. Alexey Mihailovich Romanenko as an independent non-executive Director.	99.99%
To re-elect Mr. Vitaly Georgievich Sheremet as an independent non-executive Director.	99.99%
To authorise the Board to fix the Directors' remuneration	99.99%
To give a general mandate to the Directors to repurchase shares in the Company not exceeding 10% of the number of Shares of the Company in issue (excluding treasury shares, if any).	99.99%

Matters being voted upon	Votes
To give a general mandate to the Directors to allot, issue and deal with additional shares in the Company not exceeding, except in certain specific circumstances, the sum of 20% of the number of Shares of the Company in Issue (excluding treasury shares, if any).	99.67%
To add shares repurchased to the general mandate to issue new shares.	99.99%
To approve the share consolidation ("Share Consolidation") of every ten (10) issued and unissued ordinary shares in the share capital of the Company into one (1) consolidated ordinary share in the issued and unissued share capital of the Company and to authorise any one or more Directors and such person or persons authorised by the Directors to do all such acts as it considers necessary to give effect to the Share Consolidation (note).	99.99%

Note: The Share Consolidation took effect on 27 June 2025. For details, please refer to the Company's announcements dated 15 May 2025 and 25 June 2025, and the circular dated 30 May 2025.

SHAREHOLDERS' RIGHTS

Procedures for convening a general meeting

Shareholder(s) holding at least 5% of the total voting right of the Company of all the shareholders having a right to vote at general meetings may, in accordance with the requirements and procedures set out in Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance"), request the Board to convene a general meeting by requisition, by stating the general nature of the business to be dealt at a general meeting and sending the requisition to the Company in hard copy or electronic form.

Procedures for putting forward proposals at an annual general meeting

- (i) Shareholder(s) representing at least 2.5% of the total voting rights of all shareholders of the Company who have a right to vote on the resolution at the annual general meeting; or
- (ii) at least 50 shareholders who have a right to vote on the resolution at the annual general meeting may request the Company to circulate a notice of a resolution for consideration at the annual general meeting. The request must identify the resolution to be moved at the annual general meeting and must be authenticated by the relevant shareholder(s) and sent to the Company in hardcopy form or in electronic form not later than six weeks before the relevant annual general meeting to which the requests relate; or if later, the time at which notice is given of that meeting.

The detailed procedures for shareholders to convene and put forward proposals at an AGM or other general meeting, including proposing a person other than a retiring Director for election as a Director, are set out on the Company's website. Shareholders may send their enquiries requiring the Board's attention to the Company at the registered address of the Company at 6H, 9 Queen's Road Central, Central District, Hong Kong Special Administrative Region of the People's Republic of China.

Constitutional document

Rights of the shareholders are also provided under the Articles of Association. There have been no changes to the Company's constitutional document during the year.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE AND MODEL CODE

Throughout the year, the Company has applied the principles and complied with the code provisions set out in Part 2 of the CG Code as set out in Appendix C1 to the Listing Rules.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "Model Code"). The Company has made specific enquiry of all the Directors regarding any non-compliance with the Model Code during the year and they have confirmed their full compliance with the required standard set out in the Model Code.

The Company has also adopted the Model Code as the Code for Securities Transactions by Relevant Employees to regulate dealings in securities of the Company by certain employees of the Company, or any of its subsidiaries and holding companies, who are considered to be likely in possession of inside information in relation to the Company or its securities. The Company has internal controls for handling and dissemination of inside information whereby the Chairman of the Board, the Executive Director and the Company Secretary work closely, seeking advice from legal advisors from time to time, if needed, with proper reporting of and approval from the Board, for proper handling and dissemination of inside information in accordance with relevant laws and regulations.

* The amendments to the CG Code effective on 1 July 2025 will apply to corporate governance reports and annual reports for financial years commencing on or after 1 July 2025. For this annual report, the Company shall refer to the then effective CG Code.

DIRECTORS' RESPONSIBILITY STATEMENT, INTERNAL CONTROL AND RISK MANAGEMENT

The Board acknowledges its responsibility to ensure that sound and effective internal control systems are maintained so as to safeguard the Group's assets and the interests of shareholders. The Company improves its business and operational activities by identifying the areas of significant business risks via a regular review, examining and evaluating business processes to determine the adequacy and efficiency of financial and operating controls, and taking appropriate measures to control and mitigate these risks. In accordance with the applicable laws and regulations, the Group has established risk management and internal control systems, covering areas such as corporate governance, risk management, operations, management, legal matters, finance and audit. The management identifies the risk areas (covering areas such as finance, operations, compliance and ESG) and reviews all significant control policies and procedures in those areas and highlights all significant matters to the Board and Audit Committee annually. The Company also has an internal audit function. The Board and the Audit Committee review the effectiveness of the Group's risk management and internal control systems annually by reviewing the work of the internal audit function and the Group's external auditor, and considering reports from management on risk management and internal control. For any weaknesses of internal controls and accounting procedures of the Group which the external auditor have identified and reported to the Company, the Company would pay full attention to the recommendations made by the external auditor and make appropriate improvements as and when appropriate. The Health, Safety and Environment Committee and the Board review the Company's ESG performance and reporting. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable, but not absolute, assurance against material misstatement or loss. Where necessary, independent consultants are hired to assist the Board to perform a high-level risk assessment of the Group, which entails identifying, analysing and assessing key risks faced by the Group. For the year ended 31 December 2025, the Board has reviewed the effectiveness of the risk management and internal control systems and considers the risk management and internal control systems effective and adequate.

CORPORATE GOVERNANCE REPORT (CONTINUED...)

Aimed at providing reasonable assurance against material errors, losses or fraud, the Company's risk management procedures comprised the following steps:

- **Identify risks:** Identify major and significant risks that could affect the achievement of goals of the Group;
- **Risk assessment:** Assess and evaluate the identified risk according to its likely impact and the likelihood of occurrence;
- **Risk mitigation:** Develop effective control measures to mitigate the risks.

The Directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the Hong Kong Companies Ordinance. The Group's annual results and interim results are announced in a timely manner, and the consolidated financial statements of the Group and the Independent Auditor's Report are set out on pages 118 to 193.

Sanctions

The Company has reviewed the UK, EU and US sanctions (the "Sanctions"). As of 25 March 2026, being the date of issuing this corporate governance report, so far as the Board is aware, based on its current assessment and the information currently available to it, the Sanctions have no material direct impact on the Group nor its operations. The Group's operations and activities in Russia, and elsewhere, are continuing as usual. The Company will continue to closely monitor sanctions developments.

Last but not least, IRC believes that good corporate governance is the driving force for long-term value creation. We are committed to regularly reviewing and developing our governance policies and practices to ensure that they continue to provide us with good services in a constantly changing environment.

On behalf of the Board

Nikolai Valentinovich Levitskii

Chairman

25 March 2026

DIRECTORS' REPORT

The Directors present their Report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company was incorporated with limited liability in Hong Kong on 4 June 2010 under the then Hong Kong Companies Ordinance. The principal activity of the Company is investment holding and the principal activities of its subsidiaries and jointly controlled entity are the production and development of industrial commodities products.

The analysis of the principal activities and geographical locations of the operation of the Group for the year ended 31 December 2025 is set out in note 21 to the consolidated financial statements.

BUSINESS REVIEW AND PERFORMANCE

A fair review of the business of the Company is provided in the Chairman Statement, CEO and CFO Report, and Results of Operations on pages 3 to 5, 6 to 9 and 10 to 23 respectively. Discussion and analysis of the Group's performance during the Year and the material factors underlying its results and financial position and particulars of important events affecting the Group that have occurred since the end of the financial year are provided throughout this annual report, particularly in the Chairman Statement, CEO and CFO Report, and Results of Operations sections on pages 3 to 5, 6 to 9 and 10 to 23. Descriptions of the principal risks and uncertainties facing the Group can be found throughout this annual report, particularly in the Risk Factors and Disclaimer section on pages 200 to 203. The future development of the Company's business is discussed throughout this annual report including in the Chairman Statement and CEO and CFO Report on page 3 to 5 and 6 to 9 respectively. An analysis of the Group's business and

operations using financial key performance indicators can be found in the Key Performance Indicators section on pages 24 to 25 while an account of the Company's key relationships with its employees, customers and suppliers and others that have a significant impact, on the Company and on which the Company's success depends, is provided throughout this annual report, particularly in the Remuneration Committee section of the Corporate Governance Report on pages 91 to 99 and the Directors' Report on pages 108 to 114. In addition, details regarding the Group's performance by reference to environmental and social-related key performance indicators and policies, as well as compliance with relevant laws and regulations which have a significant impact to the Group, are provided in the Environmental, Social and Governance section on pages 36 to 86.

DIVIDEND

The Board does not recommend the distribution of a dividend for the year ended 31 December 2025.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment during the Year are set out in note 19 to the consolidated financial statements.

SHARE CAPITAL

On 15 May 2025, the Board proposed to implement the share consolidation on the basis that every ten (10) issued shares of the Company be consolidated into one (1) consolidated share ("Share Consolidation"). The Share Consolidation had been approved by the shareholders of the Company at the annual general meeting on 25 June 2025 and became effective on 27 June 2025. Details of the Share Consolidation are set out in the Company's announcements dated 15 May 2025 and 25 June 2025, and the circular dated 30 May 2025.

As of 31 December 2025, the Company did not have any treasury shares.

DIRECTORS' REPORT (CONTINUED...)

RESERVES

Details of reserves available for distribution and movements in reserves during the year are set out in the section "Consolidated Statement of Changes in Equity" of the consolidated financial statements.

DIRECTORS

The Directors during the Year and up to the date of this report were:

Executive Director

Denis Vitalievich Cherednichenko

Chairman and Non-Executive Director

Nikolai Valentinovich Levitskii

Independent Non-Executive Directors

Dmitry Vsevolodovich Dobryak

Natalia Klimentievna Ozhegina

Vitaly Georgievich Sheremet

Alexey Mihailovich Romanenko

DIRECTORS' SERVICE CONTRACTS

The Company has entered into letters of appointment with each of its Directors, pursuant to which each Director is appointed for a term of three years and is subject to termination in accordance with their respective terms.

No Director (including those proposed for re-election at the forthcoming AGM) has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS OF SUBSIDIARIES

The list of directors who have served on the board(s) of the subsidiaries of the Company during the year and up to the date of this report are shown on the Company's website.

PERMITTED INDEMNITY PROVISIONS

The Directors and officers liability insurance policy expired on 1 December 2022 and the Company has been unable to renew the policy. Based on the understanding of the Company, the insurers were unwilling to renew the policy due to geopolitical reasons in light of the significance of the Group's operations in Russia. The Company shall keep abreast of the geopolitical development and negotiate with insurers to renew the insurance policy once as soon as possible.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at 31 December 2025, the interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) of the Directors and Chief Executives of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or the Model Code, or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, were as follows:

Long positions in shares of the Company

Name of Director	Nature of interest	Number of shares in the Company	Percentage of issued shares in the Company at 31 December 2025
Nikolai Levitskii	Interest of a controlled corporation	830,101,285 (Note)	64.96%

Note: These shares are held by AXIOMA CAPITAL FZE LLC, ("Axioma") which is wholly, ultimately and beneficially owned by Nikolai Levitskii. He is therefore deemed to be interested in the shares of the Company held by Axioma under the SFO.

Save as disclosed above, as at 31 December 2025, none of the Directors or Chief Executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) and the Model Code, or as recorded in the register required to be kept by the Company under Section 352 of the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the Directors of the Company or their respective associates was interested in, apart from the Group's businesses, any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Other than Mr. Levitskii and Axioma's interest in the Irrevocable Undertaking (as defined in the paragraphs headed "Rights Issue" in this Directors' Report), no Director or an entity connected with a Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during or at the end of the year ended 31 December 2025.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the Independent Non-Executive Directors, an annual confirmation of each of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-Executive Directors are independent.

CONTRACT OF SIGNIFICANCE

During the year ended 31 December 2025, there was no contract of significance between the Company or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries.

DIRECTORS' REPORT (CONTINUED...)

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or were in existence during the year ended 31 December 2025.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

So far as is known to any Director or Chief Executive of the Company, as at 31 December 2025, the Company's shareholders (other than Directors or Chief Executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholder	Capacity	Number of shares in the Company	Percentage of issued shares in the Company as at 31 December 2025
Axioma	Beneficial interest	830,101,285	64.96%

Save as disclosed above, the Company is not aware of any persons who have interests or short position in shares or underlying shares of the Company representing 5% or more of the issued share capital of the Company as at 31 December 2025. As at 31 December 2025, the Company is not aware of any short positions being held by any substantial shareholder in shares or underlying shares of the Company, which are required to be recorded in the register required to be kept under Section 336 of Part XV of the Securities and Futures Ordinance.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

EMOLUMENT POLICY

Details of the Directors' emoluments and of the five highest paid individuals in the Group are set out in note 15 and 14 to the consolidated financial statements, respectively. The emolument policy of the employees of the Group is set up by the Remuneration and/or Executive Committees on the basis of their merit, qualifications and competence.

The emoluments payable to Directors depend on their respective contractual terms under their employment contracts or service contracts as approved by the Board of Directors of the Company on the recommendation of the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

Detailed information on the remuneration policy and practices of IRC in 2025 are set out in the Corporate Governance Report on page 91 under the heading "Remuneration Committee".

The key element of senior management remuneration is the Share Option Scheme, which is designed to align the interests of management with those of shareholders, and to incentivise performance. Please refer to the paragraph "Remuneration Committee" in the Corporate Governance Report on page 91 to 99 and note 33 to the consolidated financial statements under "Share-based Payments" for more details.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales attributable to the Group's five largest customers accounted for about 100% of the total revenue for the year. The largest of them accounted for 95% of the total revenue. Also, the aggregate purchases attributable to the Group's five largest suppliers taken together represented 59% of the Group's total purchases for the year. The largest supplier represented 25% of the Group's total purchases for the year.

None of the Directors, their close associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital (excluding treasury shares)) has any interest in the Group's five largest suppliers or customers.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on page 87 to 107 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company has maintained a sufficient public float as required under the Listing Rules.

CONNECTED TRANSACTIONS

During the Year, the Group had not conducted any connected transactions or continuing connected transactions that were not exempt from the annual reporting requirement under Chapter 14A of the Listing Rules.

A summary of related party transaction is disclosed in note 36 to the consolidated financial statements, and such transaction conducted during the Year does not fall under the definition of connected transaction or continuing connected transaction in Chapter 14A of the Listing Rules.

RIGHTS ISSUE

The Company had on 22 October 2024 announced, and on 13 December 2024 completed a rights issue in which the Company raised a net proceeds of approximately US\$46.3 million ("2024 Rights Issue").

As previously disclosed in the rights issue prospectus dated 21 November 2024, the Company intended to apply and has applied the net proceeds in the following manner:

- i) approximately US\$24.1 million will be applied for the repayment of the principal and interest of the borrowings of the Group;
- ii) approximately US\$17.6 million for the funding of K&S; and
- iii) approximately US\$4.6 million for the replenishment of general working capital arising from the normal operation of the Group.

DIRECTORS' REPORT (CONTINUED...)

Set out below is (i) the utilised net proceeds up to 31 December 2025 in accordance with their initial intended use; (ii) the net proceeds remaining unutilised as at 31 December 2025; and (iii) the expected usage and timeline of the remaining net proceeds:

	Proposed use of net proceeds as disclosed in the prospectus dated 21 November 2024 (US\$ million)	Utilised net proceeds up to 31 December 2025 (US\$ million)	Unutilised net proceeds as of 31 December 2025 (US\$ million)	Expected usage and timeline
(i) repayment of the principal and interest of the borrowings of the Group	24.1	20.0	4.1	Fully utilised as intended by March 2026
(ii) funding of K&S	17.6	17.6	–	Fully utilised
(iii) replenishment of general working capital arising from the normal operation of the Group	4.6	4.6	–	Fully utilised

On 24 October 2025, the Company announced a rights issue (“Rights Issue”) to raise up to approximately US\$41.8 million before expenses by way of issuing of a maximum of 638,974,294 ordinary shares (“Rights Shares”) at a subscription price of HK\$0.51 per Rights Share (the closing price of the share of the Company quoted on the Stock Exchange on 24 October 2025: HK\$0.61 per share) on the basis of one Rights Share for every two existing shares on a non-fully underwritten basis to the qualifying shareholders (“Qualifying Shareholders”) whose name appear on the register of members of the Company on 30 December 2025.

The Directors believed that the Rights Issue could serve as a viable solution to secure sufficient funds for repaying the Group’s borrowings and payables, which did not only allow the Group to meet the financial obligations when they fall due but also improved the Group’s financial position and enhanced its profitability by reducing the burden of interest expenses. As the Board has received from Mr. Levitskii, a non-executive Director, chairman of the Board and a controlling Shareholder, and his wholly owned and controlled corporation, Axioma, an irrevocable undertaking prior to the Rights Issue (the “Irrevocable Undertaking”) to the effect that Mr. Levitskii and Axioma irrevocably and unconditionally undertook to the Company to, among other things, (i) accept, or procure Axioma to accept its entitlements to the provisional allotment of an aggregate of 415,050,642 Rights Shares; and (ii) not to sell or transfer the shares held by Axioma in any manner before the completion or lapse of the Rights Issue, the Directors were also of the view that the proposed Rights Issue enabled the Group to improve its liquidity position to support its business operations and development, without incurring additional debt financing costs and efforts in dealing with banks. Furthermore, the Rights Issue offered Qualifying Shareholders equal opportunities to subscribe for their respectively provisional entitlement to the Rights Shares and therefore avoiding dilution of their interests in the Company. All Qualifying Shareholders were also offered a chance to increase further their shareholdings in the Company through excess applications.

The Rights Issue was completed on 6 February 2026 in which a total of 8 valid applications had been received for a total of 466,622,154 Rights Shares. Pursuant to the Irrevocable Undertaking, Axioma, as the underwriter (“Underwriter”), had subscribed for 415,050,642 Rights Shares provisionally allotted to it. The remaining 172,352,140 unsubscribed Rights Shares, representing approximately 26.97% of the Offered Shares, were subject to the compensatory arrangements. On 2 February 2026, none of the unsubscribed Rights Shares were successfully placed under the compensatory arrangements. As a result of the under-subscription of the Rights Shares and the placing, there are a total of 172,352,140 underwritten Shares. The Underwriter had performed its underwriting obligations under the underwriting agreement to take up all the 172,352,140 underwritten Shares.

As a result, the Company raised a net proceed of approximately US\$41.5 million (the “Net Proceeds”) and 638,974,294 Rights Shares were issued on 6 February 2026, with a net price per Rights Share of approximately HK\$0.506. Further details of the Rights Issue are set out in note 38 to the consolidated financial statements.

As previously disclosed in the Rights Issue prospectus dated 31 December 2025, the Company intended to apply and has applied the Net Proceeds in the following manner:

- (i) approximately US\$28.1 million (of which nil has been utilised as of 31 December 2025) will be applied for the repayment of the principal and interest of the borrowings of the Group;
- (ii) approximately US\$9.2 million (of which nil has been utilised as of 31 December 2025) for the funding of K&S; and
- (iii) approximately US\$4.2 million (of which nil has been utilised as of 31 December 2025) for the replenishment of general working capital arising from the normal operation of the Group.

It is expected that the remaining Net Proceeds will be fully utilised within 12 months after the completion of the Rights Issue.

AUDITOR

Deloitte Touche Tohmatsu (“Deloitte”) resigned as the auditor of the Company with effect from 10 November 2022. Deloitte decided to tender its resignation after considering its ability to execute its responsibilities as the group engagement team in accordance with the requirements of Hong Kong Standard on Auditing 600 “Special Considerations – Audits of Group Financial Statements (including the Work of Component Auditors)” issued by the Hong Kong Institute of Certified Public Accountants, in light of the significance of the foreign operations to the Group. Deloitte has confirmed in its letter of resignation that there are no matters in relation to its resignation that need to be brought to the attention of the members of the Company. The Board and the Audit Committee of the Company confirmed that there are no other disagreements or unresolved matters between the Company and Deloitte in respect of the change of auditor which should be brought to the attention of the members of the Company.

The Board, with the recommendation from the Audit Committee, has resolved to appoint RSM Hong Kong (“RSM”) as the auditor of the Company to fill the vacancy following the resignation of Deloitte and to hold office until the conclusion of the annual general meeting of the Company in 2023. RSM has been formally appointed as the new auditor of the Company with effect from 30 December 2022 to fill the casual vacancy following the resignation of Deloitte.

During the year, RSM was reappointed as the auditor of the Company. A resolution to reappoint RSM as the auditor of the Company will be proposed at the forthcoming Annual General Meeting.

REVIEW BY THE AUDIT COMMITTEE

The audited financial statements for the year ended 31 December 2025 have been reviewed, without disagreement, by the Audit Committee of the Company, which comprises three Independent Non-Executive Directors, namely Alexey Mihailovich Romanenko, Vitaly Georgievich Sheremet and Dmitry Vsevolodovich Dobryak. Alexey Mihailovich Romanenko is the Chairman of the Audit Committee.

On behalf of the Board

Nikolai Valentinovich Levitskii
Chairman

25 March 2026

BOARD OF DIRECTORS, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

As at 31 December 2025, the Board composes of the following Directors with a collective expertise covering the resource sector and complementary industries, in addition to deep experience in the geographical regions where IRC operated. The Board formally meets at least four times a year. In addition, numerous sub-committee meetings, information events and director training sessions are held, including site visits to IRC's operations and regional offices. The strategic leadership of IRC is the responsibility of a unitary and balanced Board, which comprises a healthy composition of Executive Director, Non-Executive Directors and Independent Non-Executive Directors.

NON-EXECUTIVE CHAIRMAN



Nikolai Valentinovich Levitskii
Chairman

Mr. Levitskii, aged 53, is the general director of AXIOMA CAPITAL FZE LLC ("Axioma"). Axioma is the largest shareholder of the Company and is wholly-owned by Mr. Levitskii. Mr. Levitskii has spent more than 30 years in the sectors of mining, oil and gas and banking in Russia. Mr. Levitskii was the President and Co-Founder of JSC "Geotech Holding" from 2007 to 2016 and the General Director of CJSC "Mineral and chemical company 'EuroChem'" from 2001 to 2003. Mr. Levitskii received a bachelor's degree in Business Administration in Economic Sciences from the Voznesenski Leningrad Institute of Economics and Finance (renamed as Saint Petersburg State University of Economics and Finance). Mr. Levitskii has joined the Company as a non-executive Director since March 2022 and has been designated as the chairman of the Board since May 2022.

EXECUTIVE DIRECTOR

Mr. Cherednichenko, aged 48, has more than 25 years of experience in management at oil and gas and medical technology groups and acted also as an in-house legal counsel as well as the Vice President of Medical Systems, a pharmaceutical and medical equipment supplies company in Russia, and the CEO of a medical equipment company. He was the CEO of JSC Rusatom Healthcare, Enterprise of State Corporation Rosatom, a radiopharmaceuticals company in Russia. He holds a Law degree from the Ural State Law Academy in Russia, a Master of Laws from the University of Manchester in the United Kingdom and a Master Degree from the Academy of National Economy under the Government of the Russian Federation. Mr. Cherednichenko was appointed as an executive Director and the Chief Executive Officer in July 2022.



Denis Vitalievich Cherednichenko
Chief Executive Officer

INDEPENDENT NON-EXECUTIVE DIRECTORS



Dmitry Vsevolodovich Dobryak

Mr. Dobryak, aged 57, has more than 30 years of financial management, accounting, business development and administrative experience. His previous roles include CFO of Impulse M, a Moscow based start-up from 2019 to 2020 and CFO of Titan Automotive Solutions, an automotive communications solutions company in Belgium from 2020 to 2021. He is a US qualified certified public accountant, holds a BA in Foreign Trade and International Economics from the Moscow State Institute of International Relations in Russia and a Master of Business Administration from the Crummer Graduate School of Business at Rollins College in the United States. Mr. Dobryak was appointed as an independent non-executive Director in March 2022.

BOARD OF DIRECTORS, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY (CONTINUED...)

Mr. Alexey Mihailovich Romanenko, aged 48, is the Senior Partner and Chairman of the Board of Directors of NEO Center. Mr. Romanenko has more than 20 years of experience in management consulting, auditing, and financial management. His previous roles include Managing Director of Alvarez and Marshal LLP, Partner and Head of Management Consulting of KPMG Russia and CIS and Audit Partner of KPMG Russia and CIS. Mr. Romanenko is a fellow member of the ACCA. Mr. Romanenko was appointed as an independent non-executive Director in May 2022.



Alexey Mihailovich Romanenko



Mr. Vitaly Georgievich Sheremet, aged 49, has more than 20 years of extensive experience in auditing and risk management. His previous roles include Audit and Advisory Partner of KPMG Russia and CIS and Audit and Risk Management Partner of BDO Russia. Mr. Sheremet also served as an independent director on several boards in the Russian Federation. Mr. Sheremet was appointed as an independent non-executive Director in May 2022.

Vitaly Georgievich Sheremet

Ms. Natalia Klimentievna Ozhegina, aged 55, is the Professor of Business Practice of the International Institute for Energy Policy and Innovation Management, MGIMO Ministry of Foreign Affairs of the Russian Federation and Lecture Moscow Business School “Skolkovo”. Ms. Ozhegina has more than 30 years of experience in public administration, law and human resources. Her previous roles include the Deputy General Director of PJSC Russian Grids for Human Resources Management and the Deputy Chairman of the Management Board of PJSC Federal Grid Company. Ms. Ozhegina is a lawyer qualified in Russia. Ms. Ozhegina was appointed as an independent non-executive Director in May 2022.



Natalia Klimentievna Ozhegina

BOARD OF DIRECTORS, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY (CONTINUED...)

CHIEF FINANCIAL OFFICER

**Danila Kotlyarov**

Mr. Kotlyarov, aged 47, joined the Group (previously known as LLC Petropavlovsk-Iron Ore, and LLC Aricom) in 2005 as Finance Director, a role which transferred to IRC in 2010. He worked in various senior management positions at IRC until February 2020 when he joined Petropavlovsk PLC, a substantial shareholder of IRC at that time, as CFO and became a Non-Executive Director of IRC. In early 2022, Mr. Kotlyarov relinquished the Petropavlovsk CFO position to become an advisor of Petropavlovsk PLC. In May 2022, Mr. Kotlyarov resigned as an Executive Director of the Company but remained as the CFO of the Company. Mr. Kotlyarov also serves as a director of several of the Group's subsidiaries. Mr. Kotlyarov is a fellow of the ACCA and a holder of the Chartered Financial Analyst.

FINANCE DIRECTOR (HK) & COMPANY SECRETARY

Mr. Yuen, aged 52, is the Finance Director (Hong Kong) and Company Secretary of the Company. He is also the Authorised Representative of the Company. Mr. Yuen joined IRC in 2010 before the listing of the Company and has been serving in various senior positions of the Company. He headed up the finance function of the Group from the beginning of 2020, and in May 2022 was redesignated as Finance Director (HK) and Company Secretary. Mr. Yuen also serves as a director of several of the Group's subsidiaries. Mr. Yuen began his career in KPMG and has over 25 years of financial management, accounting, auditing and administration experience, including working in various senior positions of listed companies in Hong Kong. He is a fellow member of the HKICPA and the ACCA. He holds a MBA from the Manchester Business School of University of Manchester. He is an Independent Non-Executive Director of G-Vision International (Holding) Limited (stock code: 00657).

**Johnny Shiu Cheong Yuen**

INDEPENDENT AUDITOR'S REPORT


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TO THE MEMBERS OF IRC LIMITED

(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of IRC Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 123 to 193, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we identified are:

1. Impairment of non-current mining assets

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Impairment of non-current mining assets</i></p> <p>We identified the impairment of property, plant and equipment and right-of-use assets used in the mining activities held by a wholly-owned subsidiary, LLC KS GOK (“K&S Assets”) cash generating unit (“CGU”) as a key audit matter due to the significance of these balances in the Group’s consolidated statement of financial position. In addition, the estimation of recoverable amount of the K&S assets CGU involves complex judgement and inherent subjectivity.</p> <p>The recoverable amounts of the K&S Assets CGU have been determined based on a value-in-use calculation which includes judgements and estimations by management of key variables and market conditions including the expected production capacity of the K&S Assets, ore reserve estimates, future iron ore prices, capex and operating costs. These calculations require the use of estimates of future cash flows based on projected income and expenses of the K&S Assets and working capital needs over the life of the mine. Management is also required to determine an appropriate discount rate in order to calculate the present value of those cash flows.</p>	<p>Our procedures in relation to the impairment assessment of non-current mining assets included:</p> <ul style="list-style-type: none"> Assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors including subjectivity; Obtaining an understanding of and evaluating key internal controls over impairment assessment including the Group’s assessment of impairment indicators, preparation of the cash flow forecasts, setting of reasonable and supportable assumptions and inputs to the models used to estimate the recoverable amount over the life of the mine; Evaluating the outcome of prior period impairment assessment of K&S Assets CGU to assess the effectiveness of management’s estimation process; Testing the reasonableness of assumptions and the inputs used to determine the cash flow forecasts against historical performance, ore reserve estimate surveys, economic and industry indicators, publicly available information such as iron ore pricing forecasts and the Group’s strategic plans;

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Impairment of non-current mining assets (continued)</i></p> <p>As at 31 December 2025, the K&S Assets CGU has non-current assets, which mainly comprise of property, plant and equipment and right-of-use assets, details of which are set out in notes 19 and 20 to the consolidated financial statements, respectively.</p> <p>The Group performed an impairment assessment for the K&S Assets CGU as at 31 December 2025, and an impairment loss of US\$152.9 million was recognised in the current year.</p>	<ul style="list-style-type: none"> • Involving our external valuation specialists and external mining experts to assess the appropriateness of the mining plan, ore reserves, revenue and expenditure assumptions, discount rate, the valuation methodology, technical information provided by the management and the key assumptions used in the valuation model against external benchmarks; • Checking the underlying calculations used in the Group's assessment and performing sensitivity testing of the inputs used; and • Evaluating the sensitivity analysis performed by the management on the inputs used to evaluate the extent of impact on the estimated future cash flows.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (CONTINUED...)

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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 consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Yu Kwok Keung (practicing certificate number: P07372).

RSM Hong Kong
Certified Public Accountants
25 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	Notes	2025 US\$'000	2024 US\$'000
Revenue	7	258,052	221,156
Operating expenses, excluding depreciation	8	(240,595)	(211,519)
Depreciation	8	(16,710)	(17,600)
Impairment losses	9	(159,610)	–
Other income, gains and losses	10	31,709	(4,120)
Allowance for financial assets measured at amortised costs		(35)	(119)
Finance costs	12	(4,589)	(7,666)
Loss before tax		(131,778)	(19,868)
Income tax credit/(expense)	13	180	(643)
Loss for the year		(131,598)	(20,511)
Attributable to:			
Owners of the Company		(131,468)	(20,491)
Non-controlling interests		(130)	(20)
		(131,598)	(20,511)
Loss per share (US cents)	17		(Restated)
Basic		(10.29)	(2.32)
Diluted		(10.29)	(2.32)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 US\$'000	2024 US\$'000
Loss for the year	(131,598)	(20,511)
Other comprehensive income/(expense):		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	1,039	(441)
Fair value gain on hedging instruments designated in cash flow hedges	–	1,694
Release of fair value gain on hedging instruments in cash flow hedges	–	(599)
Reclassification to profit or loss upon disposal of equity interests in a joint venture	272	–
Other comprehensive income for the year, net of tax	1,311	654
Total comprehensive expense for the year	(130,287)	(19,857)
Attributable to:		
Owners of the Company	(130,356)	(19,744)
Non-controlling interests	69	(113)
	(130,287)	(19,857)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Notes	2025 US\$'000	2024 US\$'000
ASSETS			
Non-current assets			
Exploration and evaluation assets	18	14,352	20,608
Property, plant and equipment	19	121,172	269,871
Right-of-use assets	20	12,934	178
Interest in a joint venture	22	–	–
Inventories	23	584	–
Total non-current assets		149,042	290,657
Current assets			
Inventories	23	54,245	47,571
Trade and other receivables	24	31,508	46,869
Income tax recoverables		–	4
Time deposits	25	698	152
Bank and cash balances	25	40,876	60,582
Total current assets		127,327	155,178
TOTAL ASSETS		276,369	445,835

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED...)

At 31 December 2025

	Notes	2025 US\$'000	2024 US\$'000
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	26	1,350,734	1,350,734
Other reserves		36,319	35,207
Accumulated losses		(1,201,265)	(1,069,797)
Equity attributable to owners of the Company		185,788	316,144
Non-controlling interests		(686)	(755)
Total equity		185,102	315,389
LIABILITIES			
Non-current liabilities			
Borrowings – due more than one year	28	–	25,518
Lease liabilities	29	12,252	54
Provision for close down and restoration costs	30	4,840	1,563
Deferred tax liabilities	31	4,962	5,308
Total non-current liabilities		22,054	32,443
Current liabilities			
Borrowings – due within one year	28	28,073	19,236
Lease liabilities	29	1,490	124
Trade and other payables	32	39,336	78,510
Current tax liabilities		314	133
Total current liabilities		69,213	98,003
TOTAL EQUITY AND LIABILITIES		276,369	445,835

Approved and authorised for issue by the Board of Directors on 25 March 2026 and are signed on its behalf by:

Nikolai Levitskii

Name of Director

Denis Cherednichenko

Name of Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to owners of the Company								Non-controlling interests	Total equity
	Share capital	Capital reserve	Share-based payment reserve	Translation reserve	Hedging reserve	Other reserve	Accumulated losses	Sub-total		
	US\$'000	(Note (a)) US\$'000	US\$'000	US\$'000	US\$'000	(Note (b)) US\$'000	US\$'000	US\$'000		
At 1 January 2024	1,304,467	17,984	17,582	(23,777)	(1,095)	23,766	(1,049,306)	289,621	(642)	288,979
Loss for the year	-	-	-	-	-	-	(20,491)	(20,491)	(20)	(20,511)
Other comprehensive (expense)/income	-	-	-	(348)	1,095	-	-	747	(93)	654
Total comprehensive (expense)/income for the year	-	-	-	(348)	1,095	-	(20,491)	(19,744)	(113)	(19,857)
New shares issued (note 26)	46,267	-	-	-	-	-	-	46,267	-	46,267
At 31 December 2024 and 1 January 2025	1,350,734	17,984	17,582	(24,125)	-	23,766	(1,069,797)	316,144	(755)	315,389
Loss for the year	-	-	-	-	-	-	(131,468)	(131,468)	(130)	(131,598)
Other comprehensive income	-	-	-	1,112	-	-	-	1,112	199	1,311
Total comprehensive income/(expense) for the year	-	-	-	1,112	-	-	(131,468)	(130,356)	69	(130,287)
At 31 December 2025	1,350,734	17,984	17,582	(23,013)	-	23,766	(1,201,265)	185,788	(686)	185,102

Note:

- (a) The amounts represent deemed contribution from the then ultimate holding company of the Company for 1) certain administrative expenses and tax expenses of the Group paid by the then ultimate holding company of the Company in prior years; and 2) share-based payment expenses in relation to certain employees of the Group participated in the long-term incentive plan of the then ultimate holding company of the Company.
- (b) The amounts arose from 1) acquisition of non-controlling interests and deemed contribution arising from the group restructuring for the Company's listing on The Stock Exchange of Hong Kong Limited ("the Stock Exchange"); 2) transfer of share-based payment reserve upon vesting of share-based awards resulted from difference between the cost of the treasury shares and fair value at grant date of the awarded shares; 3) deemed contribution from General Nice Development Limited, a former shareholder of the Company, for accrued interests on outstanding capital contribution; and 4) direct expenses in relation to the right to subscribe for shares of the Company granted to Tiger Capital Fund SPC – Tigar Global SP, a former shareholder of the Company.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 US\$'000	2024 US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(131,778)	(19,868)
Adjustments for:			
Depreciation of property, plant and equipment	8, 19	16,134	17,470
Depreciation of right-of-use assets	8, 20	576	130
Finance income	10	(345)	(1,140)
Finance costs	12	4,589	7,666
Net loss on disposal of property, plant and equipment	10	625	802
Adjustment of restoration provision for change in estimates	8	747	(2,297)
Impairment losses	9	159,610	-
Reversal of accruals and write-back of payables related to Engineering, Procurement and Construction ("EPC") contract	10	(29,883)	-
Net foreign exchange loss	10	2,584	1,515
Inventories written down/(recovered) to its net realisable value	8	1,849	(1,159)
Other provision	10	-	4,153
Other non-cash adjustments		35	119
Gain on disposal of equity interests of a joint venture	10	(4,245)	-
Operating profit before working capital changes		20,498	7,391
Increase in inventories		(9,107)	(69)
Decrease in trade and other receivables		20,369	7,926
Decrease in trade and other payables		(1,812)	(8,983)
Net cash generated from operations		29,948	6,265
Income tax (paid)/refund		(154)	794
Net cash generated from operating activities		29,794	7,059
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and exploration and evaluation assets		(33,620)	(17,350)
Net time deposits withdrawn		(546)	316
Interest received		345	1,140
Proceeds on disposal of property, plant and equipment	2	2	13
Proceeds on disposal of equity interests of a joint venture		4,518	-
Net cash used in investing activities		(29,301)	(15,881)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(617)	(135)
Repayment of borrowings		(16,809)	(22,828)
Interest expenses paid		(3,371)	(7,169)
Net proceeds from shares issued		-	46,267
Net cash (used in)/generated from financing activities		(20,797)	16,135
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Effect of foreign exchange rate changes		598	(2,820)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		60,582	56,089
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		40,876	60,582

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

IRC Limited (“the Company”) is a public limited company incorporated in Hong Kong and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 21 October 2010. The Company together with its subsidiaries are hereinafter referred to as the “Group”.

The address of the registered office of the Company is 6H, 9 Queen’s Road Central, Hong Kong.

The principal activity of the Company is investment holding. The Group is principally engaged in the production and development of industrial commodities products including iron ore concentrate that are used in industry across the world. The main activities of the Group are carried out in Russia and the Group predominantly serves the Russian and Chinese markets. The activities of the Company’s principal subsidiaries are set out in note 21.

As of 31 December 2025, Axioma Capital FZE LLC (“Axioma Capital”), a company incorporated in United Arab Emirates with limited liability and is wholly owned by Mr Nikolai Valentinovich Levitskii, holds 64.96% equity interest of the Company. The remaining 35.04% equity interest is held by public shareholders.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the requirements of the Companies Ordinance (Cap. 622).

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

The Group continues to adopt the going concern basis in preparing its consolidated financial statements. The Group meets its day-to-day working capital requirements through its facilities and borrowings. The current economic conditions continue to create uncertainty particularly over (a) the level of demand for the Group’s products; and (b) the availability of bank and other finance for the foreseeable future. The Group’s forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Further information on the Group’s borrowings is given in note 28.

For the year ended 31 December 2025

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) Application of new and revised HKFRS Accounting Standards

The Group has adopted all of the new or amended HKFRS Accounting Standards and Interpretations issued by the HKICPA that are mandatory for the current reporting period. The Group has applied the amendments to HKAS 21 “Lack of Exchangeability” for the first time from 1 January 2025. There was no material impact to the consolidated financial statements as a result of the adoption of the abovementioned amended standard.

(b) Revised HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 December 2025 and which have not been early adopted by the Group for the annual reporting period ended 31 December 2025. The Group’s assessment of the impact of these new or amended HKFRS Accounting Standards and Interpretations, most relevant to the Group, are set out below:

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Amendment to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendment to HKAS 21 – Translation to a Hyperinflationary Presentation Currency	1 January 2027
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS (CONTINUED)**(b) Revised HKFRS Accounting Standards in issue but not yet effective (continued)*****HKFRS 18 “Presentation and Disclosure in Financial Statements”***

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements.

The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities’ net profit will not change.
- Management-defined performance measures (“MPMs”) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is currently assessing the impact of HKFRS 18, with respect to the structure of the Group’s consolidated statement of profit or loss, the consolidated statements of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the consolidated financial statements. Preliminary assessments indicate the following key impacts:

- The Group will need to reclassify certain income and expense items (e.g., interest income on certain investments and foreign exchange gains/losses) into the new categories, namely investing and financing categories.
- The Group disclosed certain MPMs (e.g., adjusted underlying loss and adjusted EBITDA) in its results announcements and the annual report. Under HKFRS 18, this will likely require additional disclosure for the MPMs within the notes to the consolidated financial statements.
- The consolidated statement of cash flows will also be impacted, as the operating profit subtotal will be the required starting point for the indirect method.

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. certain financial instruments that are measured at fair values).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based Payment”, leasing transactions that are accounted for in accordance with HKFRS 16 “Leases”, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of Assets”.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, 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 Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated translation reserve relating to that subsidiary.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

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

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Separate financial statements

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(c) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in United States dollars ("US\$"), which is the Company's functional and presentation currency.

(ii) *Transactions and balances in each entity's financial statements*

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) *Translation on consolidation*

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

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the translation reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(c) Foreign currency translation (continued)****(iii) Translation on consolidation (continued)**

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

(d) Exploration and evaluation assets

Exploration and evaluation expenditure incurred in relation to those projects where such expenditure is considered likely to be recoverable through future extraction activity or sale, or where the exploration activities have not reached a stage which permits a reasonable assessment of the existence of reserves, is capitalised and recorded on the consolidated statement of financial position within exploration and evaluation assets for mining projects at the exploration stage.

Exploration and evaluation expenditure comprise costs directly attributable to:

- Researching and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods;
- Compiling pre-feasibility and feasibility studies; and
- Costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects.

Mineral rights acquired through a business combination are capitalised separately from goodwill if the asset is separable or arises from contractual or legal rights and the fair value can be measured reliably on initial recognition. Exploration and evaluation expenditure capitalised and mining rights acquired are subsequently valued at cost less impairment. In circumstances where a project is abandoned, the cumulative capitalised costs related to the project are written off in the period when such decision is made. Exploration and evaluation expenditure capitalised and mining rights within exploration and evaluation assets are not depreciated. These assets are transferred to mine development costs within property, plant and equipment when a decision is taken to proceed with the development of the project.

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Property, plant and equipment

Property, plant and equipment are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probably that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

(i) *Non-mining assets*

Non-mining assets are initially valued at cost, being the purchase price and the directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary for the asset to be capable of operating in the manner intended by the Group, and are subsequently valued at cost less accumulated depreciation and impairment, if any.

(ii) *Mine development costs and mining assets*

Development expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure includes costs directly attributable to the construction of a mine and the related infrastructure. Once a development decision has been taken, the carrying amount of the exploration and evaluation expenditure in respect of the area of interest is aggregated with the development expenditure and classified under non-current assets as "mine development costs", this includes any property, plant and equipment acquired to undertake mining activities. Mine development costs are reclassified as "mining assets" at the end of the commissioning phase, when the mine is capable of operating in the manner intended by management. Depreciation policy for mining assets are set out below in note 4(e)(v). Mine development costs are tested for impairment as stated in note 4(t).

(iii) *Deferred stripping cost in development phase*

In open pit operations the removal of overburden and waste materials, referred to as stripping, is required to obtain access to the ore body. Such costs when incurred during the development of the mine are deferred in the consolidated statement of financial position as part of mine development costs, and charged to the profit or loss over the life of the mine on a units of production basis.

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Property, plant and equipment (continued)

(iv) *Deferred stripping costs in production phase*

During production phase, cost incurred in relation to stripping activity is capitalised and recorded on the consolidated statement of financial position to the extent the stripping activity improved access to ore, which is when the following conditions are satisfied:

- it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the entity;
- the entity can identify the component of the ore body for which access has been improved; and
- the costs relating to the stripping activity associated with that component can be measured reliably.

To the extent that the benefit from the stripping activity is realised in the form of inventory produced, the Group accounts for the costs of that stripping activity in accordance with the accounting policy of inventories (see note 4(f)).

When the costs relating to improve access to ore (i.e. a stripping activity asset) and the costs of the inventory produced are not separately identifiable, production stripping costs are allocated between the stripping activity asset and inventory using a relevant production measure (i.e. actual vs. expected volume of waste extracted).

Production stripping costs capitalised as mine development costs and are subsequently carried at cost and depreciated on a units of production basis over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity, less any impairment losses.

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Property, plant and equipment (continued)

(v) Depreciation

Property, plant and equipment are depreciated using a units of production method or straight-line basis as set out below.

Mining assets which are plant and machineries acquired to undertake mining activities are depreciated on a straight-line basis based on estimated useful lives of 2 to 20 years. Other mining assets for which economic benefits from the asset are consumed in a pattern linked to the production level, are depreciated using a units of production method based on ore reserves, which in turn results in a depreciation charge proportional to the depletion of reserves.

Non-mining assets are depreciated on a straight-line basis based on estimated useful lives.

Mine development costs and construction in progress are not depreciated, except for that property, plant and equipment used in the development of a mine. Such property, plant and equipment are depreciated on a straight-line basis based on estimated useful lives and depreciation is capitalised as part of mine development costs.

Estimated useful lives of non-mining assets normally vary as set out below.

– Buildings	Over the shorter of the term of the lease, and 15-50 years
– Plant and machinery	2–20 years
– Vehicles	5–7 years
– Leasehold improvements	2 years
– Fixtures and equipment	2 years
– Office equipment	2–10 years
– Computer equipment	3–5 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(f) Leases**

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) The Group as a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily laptops and office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the lease liability. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the lessee, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Leases (continued)

(i) *The Group as a lessee (continued)*

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

(ii) *The Group as a lessor*

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(g) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost of raw materials and consumables is determined on a first-in-first-out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution, include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale. Inventories include: stores and spares, represented raw materials consumed in the production process as well as spare parts and other maintenance supplies; ore stockpiles and other partly processed materials; deferred stripping costs; and iron ore concentrate, presented as finished goods. Stockpiles represent ore that has been extracted and is available for further processing. If there is significant uncertainty as to if, and/or when the stockpiled ore will be processed, the ore is expensed as mined. If the ore will not be processed within 12 months after the reporting date, it is included within non-current assets and net realisable value is calculated on the discounted cash flow basis.

(h) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Debt investments

Debt investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.
- fair value through other comprehensive income (“FVTOCI”) – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVTPL if the investment does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer’s perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(j) Trade and other receivables**

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables arising from contracts with customers are initially measured in accordance with HKFRS 15.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL.

(l) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRS Accounting Standards. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(m) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

(n) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(o) Equity instruments

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(p) Revenue and other income

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue from the sale of iron ore concentrate is recognised at a point of time when the control of the goods has been transferred to the customers, being when the iron ore concentrate has been delivered to the agreed location. Customers have to make a deposit by means of 100% letter of credit or 100% direct prepayment before the delivery based on the average market price of the month of shipment. Upon delivery of the goods, the customers have control over the usage of the products and bear the risk of loss in relation to the goods.

Revenue from provision of engineering services is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation, as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVTOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(q) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligation

The Group does not operate a pension scheme. However, payments are made to defined contribution retirement benefit arrangements for certain employees and these are charged as an expense as they rendered services entitling them to the contributions.

(r) Borrowing costs

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(s) Taxation**

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised and a deferred tax liability for all taxable temporary differences.

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(s) Taxation (continued)

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

(t) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

(u) Impairment of exploration and evaluation assets

The carrying amount of the exploration and evaluation assets is reviewed annually and adjusted for impairment in accordance with HKAS 36 "Impairment of Assets" whenever one of the following events or changes in circumstances indicates that the carrying amount may not be recoverable:

- the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; or
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development of by sale.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(v) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, other receivables, time deposits and bank and cash balances. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For all other financial assets, except for trade receivables which are measured at fair value, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(v) Impairment of financial assets (continued)

(i) *Significant increase in credit risk (continued)*

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default,
- the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of “investment grade” in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of “performing”. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(v) Impairment of financial assets (continued)****(iii) Credit-impaired financial assets**

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(v) Impairment of financial assets (continued)

(v) *Measurement and recognition of ECL (continued)*

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(w) Close down and restoration costs

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Close down and restoration costs are provided for in the accounting period when the legal or constructive obligation arising from the related disturbance occurs, whether this occurs during the mine development or during the production phase, based on the net present value of estimated future costs. Provision for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments and are subject to formal review at regular intervals.

The unwinding of the discount applied in establishing the net present value of provision is charged to profit or loss for the year. The unwinding of the discount is shown as a financing cost, rather than as an operating cost. Other movements in the provision for close down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the lives of operations and revisions to discount rates are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the outstanding continuous rehabilitation work at the end of each reporting period. All costs of continuous rehabilitation are charged to profit or loss as incurred.

(x) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(x) Provisions and contingent liabilities (continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(y) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

In applying the Group's accounting policies, which are described in note 4, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

(a) *Going concern basis*

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the existing facilities and other borrowings available at a level sufficient to finance the working capital requirements of the Group.

(b) *Deferred tax for unremitted earnings of subsidiaries*

For the purposes of measuring the deferred tax liabilities in respect of withholding tax that would be payable on the unremitted earnings associated with the investments in subsidiaries, the directors have assessed that the Group is able to control the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

For the year ended 31 December 2025

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) *Impairment of property, plant and equipment and right-of-use assets*

The Group reviews the carrying value of its property, plant and equipment and right-of-use assets to determine whether there is any indication that those assets are impaired. In making assessments for impairment, assets that do not generate independent cash flows are allocated to an appropriate cash generating units ("CGU"). The recoverable amount of those assets, or CGU, is measured at the higher of their fair value less costs of disposal and value in use.

Management necessarily applies its judgement in estimating the probability, timing and value of underlying cash flows and in selecting appropriate discount rates to be applied within the value in use calculation.

Changes to the assumptions underlying the assessment of the recoverable amounts may result in changes to impairment charges, either through further impairment charges or reversal of previously recognised impairments, which could have a significant impact on the financial information in future periods. In addition, changes to iron ore prices, ore reserve estimates, operating costs, production capacity and increases in the total forecast cost of planned projects or negative outcomes to exploration and evaluation activities could lead to further impairment charges or reversals in the future. At 31 December 2025, management has revisited the assessment of the recoverable amount of the magnetite development project in the Group's portfolio consisting of the Kimkan deposit and the Sutara deposit ("the K&S Project") and US\$152.9 million impairment charge being recognised in the statement of profit or loss for the year ended 31 December 2025 (2024: nil).

(b) *Ore reserve estimates*

The Group estimates its ore reserves and mineral resources based on the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves of December 2004 (the "JORC Code") or Canadian Institute of Mining, Metallurgy and Petroleum valuation standards ("CIM"). The JORC Code and CIM require the use of reasonable investment assumptions when reporting reserves, including future production estimates, expected future commodity prices and production cash costs.

Ore reserve estimates are used in the calculation of depreciation of mining assets using a units of production method, impairment charges and for forecasting the timing of the payment of closedown and restoration costs. Also, for the purpose of impairment review and the assessment of life of mine for forecasting the timing of the payment of close down and restoration costs, the Group may take into account mineral resources in addition to ore reserves where there is a high degree of confidence that such resources will be extracted.

For the year ended 31 December 2025

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)**Key sources of estimation uncertainty (continued)****(b) Ore reserve estimates (continued)**

Ore reserve estimates may change from period to period as additional geological data becomes available during the course of operations or economic assumptions used to estimate reserves change. Such changes in estimated reserves may affect the Group's financial results and financial position in a number of ways, including the following:

- Asset carrying values due to changes in estimated future cash flows;
- Depreciation charged in the consolidated statement of profit or loss where such charges are determined by using a units of production method or where the useful economic lives of assets are determined with reference to the life of the mine;
- Provisions for close down and restoration costs where changes in estimated reserves affect expectations about the timing of the payment of such costs; and
- Carrying value of deferred tax assets and liabilities where changes in estimated reserves affect the carrying value of the relevant assets and liabilities.

(c) Exploration and evaluation costs

The Group's accounting policy for exploration and evaluation expenditure results in such expenditure being capitalised for those projects for which such expenditure is considered likely to be recoverable through future extraction activity or sale, or for which the exploration activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether the Group will proceed with development based on existence of reserves or whether an economically viable extraction operation can be established. Such estimates and assumptions may change from period to period as new information becomes available. If, subsequent to the exploration and evaluation expenditure capitalised, a judgement is made that recovery of the expenditure is unlikely or the project is to be abandoned, the relevant capitalised amount will be written off to profit or loss. Management is confident that the carrying amount of the assets will be recovered in full. As at 31 December 2025, the carrying amount of the exploration and evaluation expenditure is US\$14.4 million (2024: US\$20.6 million).

(d) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on current market conditions and the historical experience of processing and selling products of similar nature. It could change significantly as a result of changes in customer's preference and competitor's actions in response to severe industry cycles. The Group will reassess the estimates by the end of each reporting period. Some inventories were written down to net realisable value of US\$1.8 million during the year ended 31 December 2025 (2024: inventories recovered to its net realisable value of US\$1.2 million).

For the year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, other price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central finance department and all key risk management decisions are approved by the board of directors. The Group identifies and evaluates financial risks in close cooperation with the Group's operating units.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities US\$, Euros, Hong Kong Dollars ("HK\$"), Renminbi, Arab Emirates Dirhams and Russian Roubles.

Foreign currency risks are mitigated to the extent considered necessary by the board of directors of the Company, through holding the relevant currencies for future settlement.

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in currencies other than the functional currencies of the relevant group entities at the end of the reporting period are as follows:

	Assets		Liabilities	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Russian Roubles	2,662	3,576	36,002	19,187
Renminbi	36,753	2,415	143	81
Arab Emirates Dirhams	207	20	–	815
Euro	–	–	45	14
HK\$	2,218	44,548	55	179

The Group is mainly exposed to exchange rate movements between US\$ and Russian Roubles. The following table details the Group's sensitivity to a 25% (2024: 25%) change in exchange rate of functional currency (i.e. US\$) of the group entities against the relevant foreign currency (i.e. Russian Roubles) for the year. The percentage change analysed represents management's assessment of a reasonably possible change in foreign currency rates. No sensitivity analysis is presented for foreign currency fluctuation between US\$ against HK\$ because HK\$ is pegged to US\$. The exposure to other currencies are limited, hence no sensitivity analysis is presented.

A positive number below indicates a decrease in post-tax loss (2024: a decrease in post-tax loss) where the functional currency of the group entities strengthen 25% against Russian Roubles. For a 25% weakening of functional currency of the group entities against the relevant foreign currency, there would be an equal and opposite impact on the profit or loss.

	Russian Rouble currency impact	
	2025 US\$'000	2024 US\$'000
Profit or loss	6,334	3,122

The Group's policy is to hold a portion of its cash equivalents in Russian Roubles to cover its exposure arising on capital and operational expenditures incurred in Russian Roubles.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT (CONTINUED)**(b) Other price risk**

The Group's trade receivables are measured at fair value at the end of the reporting period. Therefore, the Group is exposed to commodity price risk in relation to the trade receivables. The Group's exposure to other price risk arising from the trade receivables is not significant.

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group's exposure and the credit ratings of the counterparties are monitored by the directors of the Company, and limits have been established to ensure that the aggregate value of transactions is spread amongst approved counterparties.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed annually. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, except for trade receivables measured at FVTPL, the Group performs impairment assessment for financial assets and other items under the ECL model using a provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical location is mainly in The People's Republic of China (the "PRC"), which accounted for 84% (2024: 91.1%) of the total trade receivables as at 31 December 2025.

The Group's exposure to credit risk arising from bank deposits and bank balances is limited because the counterparties are banks and financial institutions with satisfactory credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk. The table below details the credit risk exposure of the Group's financial assets, which are subject to ECL assessment:

	External credit rating	Internal credit rating	12month or lifetime ECL	Gross carrying amount	
				2025 US\$'000	2024 US\$'000
Financial assets at amortised cost					
Other receivables (Note)	N/A	Low	12 month ECL	388	759
Bank balances	Range from A+ to BBB-	N/A	12 month ECL	40,876	60,582
Short-term time deposits	AAA(Ru)	N/A	12 month ECL	698	152

Note: For the purpose of internal credit risk management, the Group uses both publicly available and past due information to assess whether credit risk has increased significantly since initial recognition.

For the year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT (CONTINUED)**(c) Credit risk (continued)**

	Past due US\$'000	Not past due/ no fixed repayment terms US\$'000	Total US\$'000
2025			
Other receivables	–	388	388
2024			
Other receivables	–	759	759

The following table shows the reconciliation of loss allowances that have been recognised for other receivables.

	2025 US\$'000	2024 US\$'000
At 1 January	119	24
Impairment losses of financial instruments recognised	35	119
Write-off	(119)	(24)
At 31 December	35	119

(d) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the raising of loans to cover expected cash demands, subject to approval by the directors of the Company when the borrowing exceed certain predetermined level of authority.

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

As disclosed in note 28, all of the Group's borrowing facilities are subject to the fulfillments of covenants. Some of those covenants relate to the Group's financial covenants which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach these covenants, the related loans would become payable on demand. The Group did not identify any difficulties in complying with the covenants for other loans. Information about the covenants for those loans classified as non-current, subject to the Group complying with covenants after the reporting period is set out below:

Carrying amount	Covenant(s)	Timing to comply with the covenant(s)
2025 US\$'000	2024 US\$'000	
28,073	44,754	Net Debt/EBITDA and Debt Service Coverage ratios
		On the twelve months period ended on 30 June and 31 December of each year

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT (CONTINUED)**(d) Liquidity risk (CONTINUED)**

Up to the date of these consolidated financial statements, there are no indications that the Group would have difficulties complying with the above covenants when they will be next tested.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities is as follows:

	Weighted average effective interest rate %	On demand or less than 1 year US\$'000	Between 1 and 2 years US\$'000	Between 2 and 5 years US\$'000	More than 5 years US\$'000	Total undiscounted cash flows US\$'000	Carrying amount US\$'000
At 31 December 2025							
Trade and other payables	-	15,376	-	-	-	15,376	15,376
Borrowings	8.3	28,073	-	-	-	28,073	28,073
Lease liabilities	20.19	3,545	3,491	10,474	6,145	23,655	13,742
At 31 December 2024							
Trade and other payables	-	12,831	-	-	-	12,831	12,831
Borrowings	8.56	19,236	25,645	-	-	44,881	44,754
Construction costs payable	8.16	22,694	-	-	-	22,694	22,694
Lease liabilities	5.88	124	54	-	-	178	178

(e) Interest rate risk

The Group is exposed to fair value interest rate risk mainly in relation to fixed rate lease liabilities and cash flow interest rate risk in relation to variable-rate borrowings. It is the Group's policy to keep its borrowing at floating rate of interest so as to minimise the fair value interest rate risk.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates arising from the Group's US\$ denominated borrowings on "LIBOR" until its discontinued from 1 October 2024, and Secured Overnight Financing Rate ("SOFR 90") afterwards. The Group is also exposed to interest-rate risk arises from the holding of cash and cash equivalents and bank deposits. These deposits bear interests at variable rates that vary with the then prevailing market condition. The Group did not enter into any interest rate swaps to hedge against its exposure to cash flow interest risk.

At 31 December 2025, if interest rates had been 100 basis points higher/lower with all other variables held constant, consolidated loss after tax for the year would have been US\$17,000 (2024: US\$147,000) higher/lower.

For the year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT (CONTINUED)**(f) Categories of financial instruments**

	2025 US\$'000	2024 US\$'000
Financial assets:		
Financial assets at FVTPL	12,294	30,681
Financial assets measured at amortised cost	41,927	61,493
Financial liabilities:		
Financial liabilities at amortised cost	43,449	80,280

(g) Fair values

The fair value of other financial assets and financial liabilities at amortised cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis. The fair value of trade receivables are measured using quoted market index.

7. REVENUE**Disaggregation of revenue**

Disaggregation of revenue from contracts with customers by major products or service line for the year is as follows:

Revenue from contracts with customers within the scope of HKFRS 15	2025 US\$'000	2024 US\$'000
Disaggregated by major products or service lines		
– Sale of iron ore concentrate	257,731	220,954
– Engineering services	321	202
	258,052	221,156

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

For the year ended 31 December	Mines in production		Engineering		Total	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Primary geographical markets						
– PRC	248,859	205,162	–	–	248,859	205,162
– Russia	8,872	15,792	321	202	9,193	15,994
Revenue from external customers	257,731	220,954	321	202	258,052	221,156
Timing of revenue recognition						
Products transferred at a point in time	257,731	220,954	–	–	257,731	220,954
Products and services transferred over time	–	–	321	202	321	202
Total	257,731	220,954	321	202	258,052	221,156

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

8. OPERATING EXPENSES, INCLUDING DEPRECIATION

	2025 US\$'000	2024 US\$'000
Site operating expenses and service costs		
Subcontracted mining costs and engineering services	68,449	75,504
Freight and shipment costs	48,274	35,869
Staff costs	39,002	26,755
Mineral extraction tax	24,059	13,258
Other expenses	22,513	9,210
Depreciation	16,581	17,420
Materials usage	14,700	13,289
Electricity	10,507	8,253
Fuel	4,188	2,945
Property tax	3,089	3,078
Professional fees (Note)	1,535	4,591
Temporary export duties	–	12,822
Expenses relating to short-term leases and leases of low value assets	465	333
Mine development costs capitalised in property, plant and equipment	(3,353)	(108)
Adjustment of restoration provision for change in estimates	747	(2,297)
Movement in finished goods and work in progress	(5,063)	(1,033)
Inventories written down/(recovered) to its net realisable value	1,849	(1,159)
	247,542	218,730
General administration expenses		
Staff costs	6,916	6,160
Professional fees (Note)	1,104	2,893
Other expenses	1,379	943
Depreciation	129	180
Expenses relating to short-term leases and leases of low value assets	235	213
	9,763	10,389
	257,305	229,119

Note: Professional fees comprise audit fees, legal fees, consulting fees, management services fees and engineering consultancy fees. Auditor's remuneration for the audit services provided by the external auditor of the Company for the year amounted to US\$475,000 (2024: US\$520,000) which including a recharge of the audit fee by a component auditor.

For the year ended 31 December 2025

9. IMPAIRMENT LOSSES

The Group follows the requirements of HKAS 36 “Impairment of Assets” to consider whether there is indication of impairment or impairment reversal on the non-financial assets at each reporting period. In making this judgement, management considers whether an event or factor has occurred or any indicators that may affect the asset value, including but not limited to, change in production volumes, changes in the cash costs of production, available ore reserves, purity of the iron ore concentrate, forecasted iron and ilmenite prices, inflation and exchange rates. If any such indication exists, the management is required to estimate the recoverable amount of the asset or CGU which requires significant judgement.

In respect of K&S Project, indicators of impairment were noted largely due to the appreciation of Russian Rouble and consequently stronger exchange rate projections, which has increased operating costs forecast in US dollar terms.

The recoverable amount of the K&S Project has been determined based on value-in-use calculations. These calculations require the use of estimates of future cash flows based on projected income and expenses of the business and working capital needs that have taken into consideration the future economic conditions, expected production capacity, ore reserve estimates, iron ore prices and cost of production over the expected life of the mine. Management is also required to choose appropriate discount rates in order to calculate the present values of the cash flows. Changes in the key assumptions on which the recoverable amounts of the assets are based could significantly affect management’s assessment.

In determining the recoverable amount of the K&S Project as at 31 December 2025 and 2024 respectively, the Group used certain key assumptions and parameters, details of which are stated below:

	For the year ended 31 December		Basis and reason(s) for changes
	2025	2024	
Methodology	Income Approach	Income Approach	Consistent valuation approach has been applied.
Key Assumptions			
1. Average production volume per annum over the life of mine (per wet metric tonnes)	3,350kt	2,977kt	Determined based on the latest production plan and mining schedules. As at 31 December 2025, the long-term mining and production plans were optimised to increase the amount of mining works to maximise ore processing and concentrate production. Assumptions on concentrate yield from ore have also been updated to reflect actual operating results of processing Sutara ore and implemented technical measures to improve processing plant performance. As a result, average amount of rock mass moved and the average amount of concentrate produced increased compared to the plans as at 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

9. IMPAIRMENT LOSSES (CONTINUED)

	For the year ended 31 December		Basis and reason(s) for changes
	2025	2024	
2. Platts 65% iron ore price (US\$ per dry metric tonne)	<p>2026 (Year 1): 118.2 2027 (Year 2): 116.4 2028-2030 (Year 3-5): average 117.8 2031 and thereafter (Year 6 and onwards): 122.2 growing in line with the implicit GDP deflator in the United States with the nominal discount rate being applied</p>	<p>2025 (Year 1): 112.6 2026 (Year 2): 107.4 2027-2029 (Year 3-5): average 107.2 2030 and thereafter (Year 6 and onwards): 113.6 growing in line with the implicit GDP deflator in the United States with the nominal discount rate being applied</p>	<p>For Year 1-5: Price is determined based on either iron ore forward curve or adjusted consensus iron ore price forecast, as appropriate.</p> <p>For Year 6 and onwards: Price determined based on the latest forward-looking analysts' consensus on iron ore for future years available as at the end of the respective reporting periods, growing in line with implicit GDP deflator in the United States.</p>
3. Russian Rouble exchange rate (to 1 US\$)	<p>2026 (Year 1): 89 2027 (Year 2): 91 2028-2030 (Year 3-5) average: 95 2031 and thereafter (Year 6 and onwards): 99 growing according to the Purchase Power Parity principle based on the projected inflation rate in the United States and Russia</p>	<p>2025 (Year 1): 103 2026 (Year 2): 105 2027-2029 (Year 3-5) average: 109 2030 and thereafter (Year 6 and onwards): 111 growing according to the Purchase Power Parity principle based on the projected inflation rate in the United States and Russia</p>	<p>Based on Purchasing Power Parity principle according to the projected inflation rates in the United States and Russia.</p>
4. Rouble costs	<p>Based on the latest actual costs and forecasts available such as forecast inflation rate, salary growth rate in Russia</p>	<p>Based on the latest actual costs and forecasts available such as forecast inflation rate, salary growth rate in Russia</p>	<p>Rouble-denominated actual costs, including but not limited to mining contractors' rates, wages, electricity and fuel, which increased substantially year-on-year in 2025, resulted in the increase of the cost base in the long-term forecast.</p>
5. Forecast inflation rate	<p>Average over 2027-2030: United States: 1.75% Russia: 4.66% 2031 and thereafter: United States: 1.88% Russia: 4.05%</p>	<p>Average over 2026-2029: United States: 1.84% Russia: 3.78% 2030 and thereafter: United States: 1.83% Russia: 3.83%</p>	<p>Determined based on forecast of the implicit GDP deflator in the United States and Russia applicable as at the end of the respective reporting periods.</p>

For the year ended 31 December 2025

9. IMPAIRMENT LOSSES (CONTINUED)

	For the year ended 31 December		Basis and reason(s) for changes
	2025	2024	
6. Discount rate			
- nominal, pre-tax	12.73%	13.31%	Determined based on the weighted average cost of capital as calculated using the then prevailing market data, namely risk-free rate, equity risk premium, country risk premiums of Russia and China and cost of debt.
- real, pre-tax	11.21%	11.35%	
			The decrease in discount rate was mainly due to the decrease in developed market equity risk premium as well as unlevered betas of the peer iron ore mining companies used for IRC beta calculation using bottom-up method.

As at 31 December 2025, the recoverable amount of the K&S Project is approximately US\$139.9 million (2024: US\$268.1 million) resulting in impairment loss of US\$152.9 million (2024: nil) on the property, plant and equipment being recognised in the year. The nominal pre-tax discount rate used was 12.73% (2024:13.31%).

Further, one of the exploration and evaluation assets amounting to US\$6,651,000 (2024: nil) has been fully impaired due to the revocation of the exploration license.

10. OTHER INCOME, GAINS AND LOSSES

	2025 US\$'000	2024 US\$'000
Net foreign exchange loss	(2,584)	(1,515)
Fair value change of the derivative at FVTPL	–	599
Interest income on cash and cash equivalents	345	1,140
Rental income	740	611
Net loss on disposal of property, plant and equipment	(625)	(802)
Reversal of accruals and write-back of payables related to Engineering, Procurement and Construction (“EPC”) contract (note 32)	29,883	–
Gain on disposal of equity interests of a joint venture (note 22)	4,245	–
Other provision	–	(4,153)
Others	(295)	–
	31,709	(4,120)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

11. SEGMENT INFORMATION

The chief operating decision maker has been identified as the Executive Committee of the Company. The Executive Committee review the Group's internal reporting for the purposes of resource allocation and assessment of segment performance which focused on the category of services/products provided to external customers. The Group has identified four reportable segments as follows:

- | | | |
|----------------------|---|---|
| Mines in production | – | comprises an iron ore project in production phase. This segment includes the K&S Project which is located in the Russia Far East Region started commercial production in January 2017; |
| Mines in development | – | comprises iron ore projects in the exploration and development phase. This segment includes the Garinskoye project which is located in the Russia Far East region; |
| Engineering | – | comprises in-house engineering and scientific expertise related to JSC Giproruda, which is located in Russia; and |
| Other | – | primarily includes the Group's interests in a joint venture for the production of vanadium pentoxides and related products in the PRC as well as various other projects, which have similar economic characteristic and activities. |

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in note 4 to the consolidated financial statements. Segment results represent the results generated by each segment without the allocation of general administration expenses, general depreciation, other income, gains and losses, allowance for financial assets measured at amortised cost and finance costs.

Segment results represent the results incurred by each segment for the purpose of monitoring segment performance and performance assessment.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than central cash and cash equivalents; and
- all liabilities are allocated to reportable segments other than deferred tax liabilities and borrowings.

For the year ended 31 December 2025

11. SEGMENT INFORMATION (CONTINUED)

Information about operating segment profit or loss, assets and liabilities:

	Mines in production US\$'000	Mines in development US\$'000	Engineering US\$'000	Other US\$'000	Total US\$'000
Year ended 31 December 2025					
Revenue from external customers	257,731	-	321	-	258,052
Segment loss	(141,457)	(6,781)	(841)	(21)	(149,100)
General administrative expenses					(9,634)
General depreciation					(129)
Other income, gains and losses					31,709
Allowance for financial assets measured at amortised costs					(35)
Finance costs					(4,589)
Loss before tax					(131,778)
Other material items of income and expense					
Subcontracted mining costs and engineering services	68,296	-	153	-	68,449
Staff costs	38,252	144	586	20	39,002
Other material non-cash items					
Depreciation	16,495	-	86	-	16,581
Impairment losses	152,959	6,651	-	-	159,610
Additions to segment non-current assets					
- Capital expenditure on property, plant and equipment and right-of-use assets	48,151	-	-	4	48,155
- Exploration and evaluation expenditure capitalised	-	395	-	-	395
As at 31 December 2025					
Segment assets	216,234	14,394	3,254	2,270	236,152
Central cash and cash equivalents					40,217
Consolidated total assets					276,369
Segment liabilities	42,108	119	167	15,838	58,232
Borrowings					28,073
Deferred tax liabilities					4,962
Consolidated total liabilities					91,267

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

11. SEGMENT INFORMATION (CONTINUED)

Information about operating segment profit or loss, assets and liabilities: (continued)

	Mines in production US\$'000	Mines in development US\$'000	Engineering US\$'000	Other US\$'000	Total US\$'000
Year ended 31 December 2024					
Revenue from external customers	220,954	-	202	-	221,156
Segment profit/(loss)	3,241	(135)	(663)	(17)	2,426
General administrative expenses					(10,209)
General depreciation					(180)
Other income, gains and losses					(4,120)
Allowance for financial assets measured at amortised costs					(119)
Finance costs					(7,666)
Loss before tax					(19,868)
Other material items of income and expense					
Subcontracted mining costs and engineering services	75,392	-	112	-	75,504
Staff costs	26,181	129	430	15	26,755
Other material non-cash items					
Depreciation	17,342	-	78	-	17,420
Additions to segment non-current assets					
- Capital expenditure on property, plant and equipment and right-of-use assets	18,507	-	4	252	18,763
- Exploration and evaluation expenditure capitalised	-	112	-	-	112
As at 31 December 2024					
Segment assets	360,996	20,697	2,357	4,218	388,268
Central cash and cash equivalents					57,567
Consolidated total assets					445,835
Segment liabilities	68,899	95	200	11,190	80,384
Borrowings					44,754
Deferred tax liabilities					5,308
Consolidated total liabilities					130,446

For the year ended 31 December 2025

11. SEGMENT INFORMATION (CONTINUED)**Geographical information:**

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

	Revenue		Non-current assets	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
PRC	248,859	205,162	–	–
Hong Kong	–	–	52	178
Russia	9,193	15,994	148,990	290,479
Consolidated total	258,052	221,156	149,042	290,657

Revenue from major customer:

Revenue from major customer who has individually contributed to 10% or more of the total revenue of the Group are disclosed as follow:

	2025 US\$'000	2024 US\$'000
Mines in production Customer A	246,409	198,827

12. FINANCE COSTS

	2025 US\$'000	2024 US\$'000
Interest expense on borrowings	3,706	7,331
Interest expense on lease liabilities	599	8
Unwinding of discount on environmental obligation	284	327
	4,589	7,666

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

13. INCOME TAX CREDIT/(EXPENSE)

Income tax has been recognised in profit or loss as following:

	2025 US\$'000	2024 US\$'000
Current tax:		
Russian Corporate tax	(285)	662
	(285)	662
Deferred tax (note 31)	465	(1,305)
	180	(643)

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

Russian Corporate tax is calculated at a rate of 25% (2024: 20%) of the estimated assessable profit. On 12 July 2024, Federal Law No. 176-FZ "On Amendments to Parts One and Two of the Tax Code of the Russian Federation" was adopted, providing for an increase in the Russian Corporate tax rate from 20% to 25% from 1 January 2025.

Based on the approved federal and regional laws in Russia, the K&S Project is considered to be an investment project and is eligible for income tax relief over 10 years starting from 2017. The K&S Project is exempted from Russian Corporate tax for the period from 2017 to 2021 and, will be taxed at a reduced rate of 10% for the following 5 years increasing to 25% thereafter.

No tax from other jurisdictions has been recognised as the Group had no assessable profit arising in or derived from any other jurisdictions for both years.

The reconciliation between the income tax credit/(expense) and the loss before tax is as follows:

	2025 US\$'000	2024 US\$'000
Loss before tax	131,778	19,868
Tax at the Russian Corporate tax rate of 25% (2024: 20%)	32,945	3,974
Tax effect of income that is not taxable	69,832	2,688
Tax effect of expenses that are not deductible	(84,878)	(11,589)
Tax effect of utilisation of temporary differences not previously recognised	(1,432)	16
Tax effect of of tax losses not recognised	(519)	985
Tax effect of utilisation of tax losses not previously recognised	263	101
Effect of different tax rates of subsidiaries	(22,424)	209
Tax effect arising from exchange adjustments on non-monetary assets	6,393	2,973
	180	(643)

For the year ended 31 December 2025

14. EMPLOYEE BENEFITS EXPENSE

	2025 US\$'000	2024 US\$'000
Employee benefits expense (including directors' emoluments):		
Wages and salaries	34,044	24,236
Social security and other benefits	11,570	8,190
Retirement benefit contributions	304	489
	45,918	32,915

(a) Pensions – defined contribution plans

The Group contributes to defined contribution retirement plans which are available for eligible employees in Hong Kong.

The Group operates a Mandatory Provident Fund scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong) for employees employed under the jurisdiction of Hong Kong Employment Ordinance (Chapter 57 of the laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and the employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000.

During the years ended 31 December 2025 and 2024, the Group had no forfeited contributions under the MPF Scheme and which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at 31 December 2025 and 2024 under the MPF Scheme which may be used by the Group to reduce the contribution payable in future years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

14. EMPLOYEE BENEFITS EXPENSE (CONTINUED)**(b) Five highest paid individuals**

The five highest paid individuals in the Group during the year included one (2024: one) director whose emoluments is reflected in the analysis presented in note 15. The emoluments of the four (2024: four) individuals are set out below:

	2025 US\$'000	2024 US\$'000
Salaries and other benefits	1,922	1,730
Retirement benefit scheme contribution	372	398
	2,294	2,128

The emoluments fell within the following bands:

	2025	2024
HK\$2,500,001 to HK\$3,000,000 (equivalent to approximately US\$320,513 to US\$384,614)	–	1
HK\$3,000,001 to HK\$3,500,000 (equivalent to approximately US\$384,615 to US\$448,718)	2	1
HK\$3,500,001 to HK\$4,000,000 (equivalent to approximately US\$448,719 to US\$512,820)	–	1
HK\$4,000,001 to HK\$5,000,000 (equivalent to approximately US\$512,821 to US\$641,026)	1	–
HK\$6,000,001 to HK\$6,500,000 (equivalent to approximately US\$769,230 to US\$833,333)	–	1
HK\$7,000,001 to HK\$7,500,000 (equivalent to approximately US\$897,436 to US\$961,538)	1	–
	4	4

In both years, no emoluments were paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group.

None of the chief executive or directors or the five highest paid individuals received any compensation in both years for the loss of office. None of the chief executive or directors, or the five highest paid individuals, waived or agreed to waive any emoluments during the year (2024: nil).

For the year ended 31 December 2025

15. BENEFITS AND INTERESTS OF DIRECTORS**(a) Directors' emoluments**

The remuneration of every director is set out below:

	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking				2025 Total US\$'000
	Directors' fees US\$'000	Salaries and other benefits US\$'000	Discretionary bonus US\$'000	Employer's contribution to a retirement benefit scheme US\$'000	
Executive director:					
Denis Cherednichenko (note (i))	-	889	316	105	1,310
Non-executive director:					
Nikolai Levitskii	210	-	-	-	210
Independent non-executive directors:					
Dmitry Dobryak	114	-	-	-	114
Natalia Ozhegina	114	-	-	-	114
Alexey Romanenko	114	-	-	-	114
Vitaly Sheremet (note (ii))	114	-	-	-	114
Total for 2025	666	889	316	105	1,976

The remuneration of every director is set out below:

	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking				2024 Total US\$'000
	Directors' fees US\$'000	Salaries and other benefits US\$'000	Discretionary bonus US\$'000	Employer's contribution to a retirement benefit scheme US\$'000	
Executive director:					
Denis Cherednichenko (note (i))	-	852	237	105	1,194
Non-executive director:					
Nikolai Levitskii	210	-	-	-	210
Independent non-executive directors:					
Dmitry Dobryak	114	-	-	-	114
Natalia Ozhegina	114	-	-	-	114
Alexey Romanenko	114	-	-	-	114
Vitaly Sheremet (note (ii))	114	-	-	-	114
Total for 2024	666	852	237	105	1,860

Notes:

- (i) Mr Denis Cherednichenko is the Chief Executive of the Company, and his emoluments disclosed above include those for services rendered by himself as the Chief Executive.
- (ii) Director's fee was paid to an independent service company which is classified as an affiliated company to the director.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

15. BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)**(b) Directors' material interests in transactions, arrangements or contracts**

Save as disclosed in note 15(a), no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of both years or at any time during both years.

16. DIVIDENDS

No dividends were paid, declared or proposed to the owners of the Company during both years ended 31 December 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

17. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following:

Loss	2025 US\$'000	2024 US\$'000
Loss attributable to owners of the Company for the purpose of calculating basic and diluted loss per share	(131,468)	(20,491)

Number of shares	2025 '000	2024 '000 (Restated)
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share and adjusted for rights issue and share consolidation	1,277,949	884,246

On 22 February 2024, all outstanding share options granted by the Company under its share option scheme adopted on 20 November 2015 were either lapsed or cancelled upon completion of a mandatory conditional cash offers made by Axioma Capital.

The computation of weighted average number of shares for the purpose of diluted loss per share for the period from 1 January 2024 to the date of cancellation of share options did not assume the exercise of share options granted by the Group because the exercise price of those options was higher than the average market price for the Company's shares.

For the year ended 31 December 2025

17. LOSS PER SHARE (CONTINUED)

As at 31 December 2024 and 31 December 2025, no dilutive effect is considered to the loss per share.

The weighted average number of ordinary shares for the purpose of basic and diluted loss per share has been adjusted to reflect for rights issue and share consolidation as detailed in note 26, but not retrospective adjusted for another rights issue as detailed in note 38(a) as which has no bonus element.

18. EXPLORATION AND EVALUATION ASSETS

	2025 US\$'000	2024 US\$'000
At 1 January	20,608	20,496
Additions	395	112
Impairment losses	(6,651)	–
At 31 December	14,352	20,608

As at 31 December 2025, Garinskoye Deposit is classified as exploration and evaluation assets. Additions mainly related to capitalised costs incurred on exploration and evaluation activities.

Bolshoi Seym Deposit has been fully impaired during 2025 due to revocation of the exploration license.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

19. PROPERTY, PLANT AND EQUIPMENT

	Mine development costs US\$'000	Mining assets US\$'000	Non-mining assets US\$'000	Construction in progress US\$'000	Total US\$'000
Cost					
At 1 January 2024	407,883	977,583	53,694	14,452	1,453,612
Additions	15,587	2,920	4	-	18,511
Close down and restoration costs capitalised	-	100	-	-	100
Transfers	(11,888)	11,868	20	-	-
Disposals	-	(1,851)	(458)	-	(2,309)
Exchange differences	-	-	(426)	-	(426)
At 31 December 2024 and 1 January 2025	411,582	990,620	52,834	14,452	1,469,488
Additions	34,817	2	4	-	34,823
Close down and restoration costs capitalised	-	1,840	-	-	1,840
Transfers	(403,434)	401,848	1,586	-	-
Disposals	-	(21,088)	(33)	(14,452)	(35,573)
Exchange differences	-	-	953	-	953
At 31 December 2025	42,965	1,373,222	55,344	-	1,471,531
Accumulated depreciation and impairment					
At 1 January 2024	357,252	777,162	34,963	14,452	1,183,829
Charge for the year	-	16,873	597	-	17,470
Disposals	-	(1,036)	(458)	-	(1,494)
Exchange differences	-	-	(188)	-	(188)
At 31 December 2024 and 1 January 2025	357,252	792,999	34,914	14,452	1,199,617
Charge for the year	-	15,531	603	-	16,134
Transfers	(357,252)	357,252	-	-	-
Disposals	-	(4,293)	(33)	(14,452)	(18,778)
Impairment losses	-	152,959	-	-	152,959
Exchange differences	-	-	427	-	427
At 31 December 2025	-	1,314,448	35,911	-	1,350,359
Carrying amount					
At 31 December 2025	42,965	58,774	19,433	-	121,172
At 31 December 2024	54,330	197,621	17,920	-	269,871

At 31 December 2025 and 2024, the Group did not have any material contractual commitments for the acquisition of property, plant and equipment.

For the year ended 31 December 2025

20. RIGHT-OF-USE ASSETS

	Mining assets US\$'000	Non-mining assets US\$'000	Total US\$'000
At 1 January 2024	–	56	56
Additions	–	252	252
Depreciation	–	(130)	(130)
At 31 December 2024 and 1 January 2025	–	178	178
Additions	13,332	–	13,332
Depreciation	(450)	(126)	(576)
At 31 December 2025	12,882	52	12,934

Lease liabilities of US\$13,742,000 (2024: US\$178,000) are recognised with related right-of-use assets of US\$12,934,000 (2024: US\$178,000) as at 31 December 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

During both years ended 31 December 2025 and 31 December 2024, the Group leased an office. The lease contract is entered into for fixed term up to 2 years, and do not have extension options. Moreover, the Group entered into leasing agreements of trucks for its mining operations for a fixed term of 7 years during the year ended 31 December 2025. .

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

	2025 US\$'000	2024 US\$'000
Total cash outflows for lease payments	1,317	681

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

21. INVESTMENTS IN SUBSIDIARIES

Particulars of the principal subsidiaries at the end of the reporting period are as follows:

Name of company	Place and date of incorporation/ establishment/operation	Issued and fully paid share capital/ registered capital ^(c)	Equity interest attributable to the Group		Principal activities
			2025 ^(b)	2024 ^(b)	
Ariti HK Limited	Hong Kong 11 February 2008	HK\$98,250,664	100%	100%	General trading
LLC IRC Group	Russia 25 August 2004	RUB25,800,000	100%	100%	Business services for the Group
LLC KS GOK	Russia 2 August 2004	RUB14,943,755,727	100%	100%	Exploration and mining – K&S Project
JSC Giproruda ^(a)	Russia 8 December 1992	RUB23,195,000	70.28%	70.28%	Engineering services
LLC GMMC	Russia 26 June 2006	RUB780,000,000	99.76%	99.58%	Exploration and mining – Garinskoye project
LLC Mining Infrastructure	Russia 14 December 2007	RUB2,100,000	100%	100%	Transportation services for Garinskoye project
LLC Uralmining	Russia 12 October 2008	RUB11,000	100%	100%	Exploration and mining – Bolshoi Seym project

(a) JSC Giproruda is an open joint stock company in Russia. Shares issued by JSC Giproruda can be freely traded.

(b) As at 31 December 2025 and 2024, LLC Mining Infrastructure and LLC Uralmining are directly held by the Company, while at 31 December 2025, Ariti HK Limited and LLC KS GOK are directly held by the Company, all of the interests in remaining subsidiaries are indirectly attributable to the Company.

(c) Class of shares held is ordinary shares.

None of the subsidiaries had issued any debt securities at the end of the year.

At the end of the reporting period, the Company did not have subsidiaries that have material non-controlling interests.

For the year ended 31 December 2025

22. INTEREST IN A JOINT VENTURE

In past years, as a result of one of the Group's project being put under care and maintenance and subsequently liquidated, the interest in a joint venture had been impaired in full.

Moreover, on 28 July 2025, the Group entered into an equity transfer agreement (the "Equity Transfer Agreement") with a shareholder of Heilongjiang Jianlong Vanadium Industries Co., Ltd (the "JV Company"), pursuant to which the Group agreed to sell 46% of the equity interests in the JV Company at a consideration of RMB32.2 million (equivalent to approximately US\$4.5 million) according to the terms and conditions set out in the Equity Transfer Agreement. Upon the completion of the disposal, the Group ceased to have any equity interest in the JV Company.

23. INVENTORIES

	2025 US\$'000	2024 US\$'000
Current		
Stores and spares	19,560	15,512
Ore in stockpiles and work in progress	33,518	30,280
Finished goods	1,167	1,779
	54,245	47,571
Non-current		
Ore in stockpiles (note)	584	–
	584	–

Note: ore in stockpiles that is not planned to be processed within twelve months after the reporting period is shown as non-current.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

23. INVENTORIES (CONTINUED)

No inventories had been pledged as security during the years ended 31 December 2025 and 2024.

No current inventories were written down or recovered to its net realisable value during the years ended 31 December 2025 and 2024. Non-current inventories were written down by US\$1.8 million to its net realisable value during the year ended 31 December 2025 (2024: inventories recovered to its net realisable value of US\$1.2 million).

The cost of inventory, excluding iron ore concentrate, charged to the consolidated statement of profit or loss and included in site operating expenses and service costs was approximately US\$18,352,000 (2024: US\$12,794,000) for the year ended 31 December 2025.

24. TRADE AND OTHER RECEIVABLES

	2025 US\$'000	2024 US\$'000
Trade receivables	12,294	30,681
Value-added tax recoverable	11,674	10,195
Prepayments to suppliers	7,188	5,354
Amounts due from customers under engineering contracts	4	3
Other receivables	348	636
	31,508	46,869

Trade receivables are amounts owed from iron ore concentrate sales and services performed under engineering contracts and measured at fair value.

Amounts due from customers under long-term engineering contracts in progress are expected to be billed and settled within one year.

The Group allows credit period of 22 to 64 days (2024: 46 to 91 days) to individual third party customers. The directors of the Company considered that the carrying value of trade and other receivables is approximately equal to their fair value.

For the year ended 31 December 2025

24. TRADE AND OTHER RECEIVABLES (CONTINUED)

The Group has a concentration of credit risk at 31 December 2025 as 84% (2024: 91.1%) of the total trade receivables was due from the Group's largest customer. The Group has implemented policies that require appropriate credit checks on potential customers before granting credit. The Group has adopted a policy of only dealing with creditworthy counterparties and minimising its risk by receiving substantial upfront payments. The Group's exposure and credit ratings of its counterparties are monitored closely by management. The maximum credit risk of such financial assets is represented by the carrying value of the asset.

In determining recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

The ageing analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	2025 US\$'000	2024 US\$'000
Less than one month	9,356	12,299
One month to three months	1,832	18,382
Over three months to six months	1,106	–
	12,294	30,681

At 31 December 2025, 84% and 16% (2024: 91.1% and 8.9%) of the carrying amounts of the Group's trade receivables are denominated in the US\$ and Russian Roubles respectively.

25. TIME DEPOSITS AND BANK AND CASH BALANCES

As at 31 December 2025, the Group had short-term Russian Roubles denominated bank time deposits with an original maturity of three to twelve months and bore interest at prevailing market rates that ranged from 13.59% to 22.28% (2024: 14% to 22.28%) per annum.

Bank and cash balances comprised cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value. Cash at banks carry interest at prevailing market rates ranging from 3.25% to 21.90% (2024: 0.10% to 21.90%) per annum as at 31 December 2025.

As at 31 December 2025, the bank balances of US\$40,876,000 (2024: US\$60,582,000) include US\$419,000 (2024: US\$2,618,000) held by LLC KS GOK, a wholly owned subsidiary of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

26. SHARE CAPITAL

	2025		2024	
	Number of shares	Amount US\$'000	Number of shares	Amount US\$'000
At 1 January	12,779,485,885	1,350,734	8,519,657,257	1,304,467
New shares issued (Note (a))	-	-	4,259,828,628	46,267
Share Consolidation (Note (b))	(11,501,537,297)	-	-	-
At 31 December	1,277,948,588	1,350,734	12,779,485,885	1,350,734

Notes:

- a) On 22 October 2024, the Company announced a rights issue ("Rights Issue") to raise up to approximately US\$46.3 million after expenses by way of the issue of a maximum of 4,259,828,628 rights shares ("Rights Shares") at a subscription price of HK\$0.085 per Rights Share on the basis of one Rights Share for every two existing shares on a non-underwritten basis.

The Board has received from Mr Levitskii, a non-executive Director, chairman of the Board and a controlling Shareholder, and his wholly owned and controlled corporation, Axioma Capital, an irrevocable undertaking. Mr Levitskii, through Axioma Capital, is interested in 4,836,157,937 shares of the Company (representing approximately 56.76% of all issued shares of the Company) before the Rights Issue. Pursuant to the irrevocable undertaking, Mr Levitskii and Axioma Capital have provided irrevocable and unconditional undertakings to the Company to, among other things, (i) accept, or procure Axioma Capital to accept its entitlements to the provisional allotment of an aggregate of 2,418,078,968 Rights Shares; and (ii) not to sell or transfer the shares held by Axioma Capital in any manner before the completion or lapse of the Rights Issue.

The Rights Issue was completed on 13 December 2024 in which the total number of 4,259,828,628 Rights Shares available for subscription under the Rights Issue have been fully subscribed for. As a result, the Company raised a net proceed of approximately US\$46.3 million and 4,259,828,628 Rights Shares were issued on 13 December 2024.

- b) Pursuant to the annual general meeting held by the Company on 25 June 2025, an ordinary resolution was passed to approve the Share Consolidation where every ten (10) issued ordinary shares of the Company were to be consolidated into one (1) ordinary share. The Share Consolidation took effect on 27 June 2025. For details of the Share Consolidation, please refer to the Company's announcements dated 15 May 2025 and 25 June 2025, and circular dated 30 May 2025.

For the year ended 31 December 2025

26. SHARE CAPITAL (CONTINUED)

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total equity.

The externally imposed capital requirements for the Group are: (i) in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares; and (ii) to meet financial covenants attached to the interest-bearing borrowings.

Based on information available to the Company, the Company is in compliance with the 25% public float requirement throughout the year. As at 31 December 2025, 35.04% (2024: 35.04%) of the shares were in public hands.

27. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Nature and purpose of reserves

(i) *Share-based payment reserve*

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments.

(ii) *Translation reserve*

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4(c) to the consolidated financial statements.

(iii) *Hedging reserve*

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition of the hedged cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

28. BORROWINGS

	2025 US\$'000	2024 US\$'000
Other loans	28,073	44,754

The borrowings are repayable as follows:

	2025 US\$'000	2024 US\$'000
Within one year	28,073	19,236
More than one year, but not exceeding two years	-	25,518
	28,073	44,754
Less: Amount due for settlement within 12 months (shown under current liabilities)	(28,073)	(19,236)
Amount due for settlement after 12 months (shown under non-current liabilities)	-	25,518

On 18 December 2018, the Group entered into two facility agreements with a bank, Gazprombank JSC, for a loan in aggregate of US\$240,000,000 (the "Facility"). The Facility will mature in 2026 and consists of two tranches. The principal under the first tranche amounts to US\$160,000,000 with interest being charged at the London Inter-bank Offer Rate ("LIBOR") + 5.7% per annum and is repayable in equal quarterly payments during the term of the Facility, the final payment in December 2026. The principal under the second tranche amounts to US\$80,000,000 with interest being charged at LIBOR+7.7% per annum and is repayable in full at the end of the term, in December 2026. Interest charged on the drawn down amounts under the two tranches is payable in quarterly payments during the term of the Facility.

During 2022, Gazprombank JSC assigned its rights under the Facility to MIC invest LLC. The assignment has not resulted in any changes to the terms and conditions of the documentation for the Facility that the Group previously entered into.

On 22 February 2024, MIC invest LLC has disposed its entire interest in the shares of the Company to Axioma Capital, the new ultimate parent of the Company, under the mandatory conditional cash offer made by Axioma Capital. MIC invest LLC was no longer the substantial shareholder of the Company since 22 February 2024.

The full facility amount of US\$240,000,000 has been fully drawn down, and as of 31 December 2025, the total borrowings of US\$28,073,000 (2024: US\$44,754,000) was borne by LLC KS GOK, a wholly owned subsidiary of the Group.

During the fourth quarter of 2024, US\$5,000,000 was repaid to MIC invest LLC as early principal loan repayment of the second tranche amounts to US\$80,000,000.

Since 21 December 2024, following LIBOR was discontinued from 1 October 2024, the Group agreed with MIC invest LLC to charge the interest of the Facility at SOFR 90 + 6.2% per annum under the first tranche amounts to US\$160,000,000 and SOFR 90 + 8.2% per annum under the second tranche amounts to US\$80,000,000.

For the year ended 31 December 2025

28. BORROWINGS (CONTINUED)

The Facility is secured by (i) a charge over the property, plant and equipment with net book value of US\$44,756,000; (ii) 100% equity share of LLC KS GOK, a wholly owned subsidiary of the Group; and (iii) pledge of the rights of certain bank accounts of LLC KS GOK.

The drawn down of the Facility is subject to the following requirements:

- a) LLC KS GOK must maintain an authorised capital not less than RUB9.1 billion;
- b) LLC KS GOK must provide quarterly reporting; and
- c) LLC KS GOK must meet the following financial covenants:
 - i) Net Debt/EBITDA ratio:
 - Starting from the twelve months period ended on 30 June 2022, of less than 3.0 times

Where:

- Net Debt is defined as short-term borrowed funds add long-term borrowed funds add leasing obligations less cash or cash equivalents; and
 - EBITDA is defined as profit before tax for the last twelve months add interest expenses for the last twelve months less interest income for the last twelve months add depreciation for the last twelve months add adjustments to exclude exchange rate revaluation and other non-monetary items for the last twelve months and add lease payments for the last twelve months.
- ii) Debt Service Coverage Ratio (DSCR):
 - Starting from the twelve months period ended on 30 June 2020 – not less than 1.2 times

where DSCR is defined as:

- Incoming cash balance add free cash flow of LLC KS GOK to the share capital add cash payments for servicing the principal debt add cash payments for interest payments; divided by
- Cash payments for servicing the principal debt add cash payments for interest payments.

Since the first quarter of 2022, breaches in meeting the financial covenants would permit MIC invest LLC, the lender of the loans to immediately call borrowings.

During the second and fourth quarter of 2024, and second and fourth quarter of 2025 thereafter, MIC invest LLC has ceased Net Debt/EBITDA ratio and the DSCR covenants requirements for the twelve months period ended on 30 June 2024, 31 December 2024, 30 June 2025, and 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

28. BORROWINGS (CONTINUED)

On 17 June 2024, MIC invest LLC has agreed to extend the repayment deadline of an installment originally due on 20 June 2024 to 26 June 2024. Afterwards, MIC invest LLC further extended the repayment deadline before every due date, on 25 June 2024, 15 July 2024, 31 July 2024 and 15 August 2024, to 16 July 2024, 31 July 2024, 15 August 2024 and 31 August 2024, respectively.

During the first quarter of 2025, apart from settling the scheduled loan principal repayment instalment of US\$4.8 million to MIC invest LLC, the Group also made voluntary early principal repayments to MIC invest LLC totaling of US\$12.0 million. The second tranche loan amounts to US\$80,000,000, that bears higher interest rate, has been fully repaid.

On 17 June 2025, 27 August 2025 and 10 December 2025, MIC invest LLC has agreed to extend the repayment deadline of all installments originally due on 20 June 2025, 20 September 2025 and 20 December 2025 to 20 March 2026 respectively.

29. LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Within one year	3,545	124	1,490	124
More than one year, but not exceeding two years	3,491	54	3,391	54
More than two years, but not exceeding five years	10,474	–	3,462	–
More than five years	6,145	–	5,399	–
	23,655	178	13,742	178
Less: Future finance charges	(9,913)	–	N/A	N/A
Present value of lease obligations	13,742	178	13,742	178
Less: Amount due for settlement within 12 months (shown under current liabilities)			(1,490)	(124)
Amount due for settlement after 12 months (shown under non-current liabilities)			12,252	54

The incremental borrowing rate applied to lease liabilities was 20.19% (2024: 0.48%).

For the year ended 31 December 2025

29. LEASE LIABILITIES (CONTINUED)

The carrying amounts of the Group's lease liabilities are denominated in HK\$ and Russian Roubles:

	2025 US\$'000	2024 US\$'000
Hong Kong Dollars	54	178
Russian Roubles	13,688	–
	13,742	178

30. PROVISION FOR CLOSE DOWN AND RESTORATION COSTS

	2025 US\$'000	2024 US\$'000
At 1 January	1,563	3,588
Unwinding of discount	284	327
Exchange differences	406	(155)
Change in estimate	2,587	(2,197)
At 31 December	4,840	1,563

The provision represents amounts recognised in relation to mine closure, site and environmental restoration costs which are based on estimates provided by in-house engineers and geologists.

The amount represents the obligation recognised for the K&S Project, which is located in the Jewish Autonomous Region (EAO) of the Russian Federation. The related obligation for the K&S Project has been recognised using an effective interest rate of 13.8% (2024: 14.2%) per annum with the expected timing of cash outflows on the closure of mining operation currently estimated to be after 2056.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

31. DEFERRED TAX

The following are the deferred tax (liabilities) and assets recognised by the Group and movements thereon during the year.

	Property, plant and equipment US\$'000	Engineering contracts US\$'000	Tax losses US\$'000	Foreign exchange movements US\$'000	Other temporary differences US\$'000	Total US\$'000
At 1 January 2024	(384)	37	23,512	(27,209)	(1)	(4,045)
(Charge)/credit to profit or loss for the year	(75)	(35)	1,778	(2,972)	(1)	(1,305)
Exchange differences	52	(1)	-	(9)	-	42
At 31 December 2024 and 1 January 2025	(407)	1	25,290	(30,190)	(2)	(5,308)
Credit/(charge) to profit or loss for the year	20	-	6,838	(6,393)	-	465
Exchange differences	(120)	-	-	1	-	(119)
At 31 December 2025	(507)	1	32,128	(36,582)	(2)	(4,962)

On 12 July 2024, Federal Law No. 176-FZ "On Amendments to Parts One and Two of the Tax Code of the Russian Federation" was adopted, providing for an increase in the income tax rate from 20 to 25% from 1 January 2025. At the same time, the possibility of applying reduced rates for certain categories of taxpayers remains.

This change in legislation will not affect the amount of current income tax for 2024.

At 31 December 2025, the Group had unused tax losses of approximately US\$145,608,000 (2024: approximately US\$117,229,000).

For the year ended 31 December 2025

31. DEFERRED TAX (CONTINUED)

On 30 November 2016, an amendment to the Russian Tax Code was enacted that, effective from 1 January 2017 (i) the limitation regarding the utilisation of loss carry forwards up to 50% of taxable profit in the tax period will expire beginning in 2021; and (ii) the current 10-year carry forward period for losses will be eliminated, hence, it will be possible to fully utilise loss carry forwards against the corporate tax base in a given year from 2021 onwards. Further losses incurred from 2007 can be carried forward for an indefinite period until fully utilised.

In relation to these unused tax losses, deferred tax assets of US\$6,838,000 have been credited in 2025 in respect of approximately US\$128,513,000 of unused tax losses and US\$1,778,000 have been credited in 2024 in respect of approximately US\$101,161,000 of unused tax losses. No deferred tax asset has been recognised in respect of the remaining tax losses of approximately US\$17,095,000 (2024: approximately US\$16,068,000) due to the unpredictability of future taxable profit streams.

At 31 December 2025, the Group had deductible temporary difference of approximately US\$6,774,000 (2024: approximately US\$1,045,000), in respect of temporary differences arising on the sale of iron ore concentrate and certain costs capitalised in "Mine development costs" under property, plant and equipment when they were under development in prior years. No deferred tax asset has been recognised in respect of these deductible temporary differences as they are insignificant.

The Group did not record a deferred tax liability in respect of withholding tax that would be payable on the unremitted earnings associated with investments in its subsidiaries as the Group is able to control the timing of the reversal of those temporary differences and did not intend to reverse them in the foreseeable future. These subsidiaries are incorporated in Russia and subject to the Russian Corporate tax rate of 25%. Unremitted earnings that would be subject to withholding tax amount to approximately US\$107,966,000 at 31 December 2025 (2024: approximately US\$63,304,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

32. TRADE AND OTHER PAYABLES

	2025 US\$'000	2024 US\$'000
Trade payables	14,321	12,108
Advances from customers	8,814	7,040
Interest payables	345	140
Construction cost payables (Note)	–	22,694
Accruals and other payables	15,856	36,528
	39,336	78,510

Note: Construction cost payables are amounts owed arising from the Engineering Procurement and Construction Contract (the "EPC Contract") entered into between the Group and China National Electric Engineering Corporation ("CNEEC") on 6 December 2010.

The EPC Contract was amended on 14 March 2016 such that LLC KS GOK shall issue a taking-over certificate for the process plant works ("Taking-Over Certificate") on 30 June 2016 to confirm the status of completion of the processing plant. However, the Group had to complete certain works itself, and the time for completion of the K&S Project was extended from 30 June 2016 to 26 July 2016.

Under the EPC Contract, CNEEC is subject to delay penalties on demand basis for the period between the completion date of the process plant works and the date of the issuance of the Taking-Over Certificate for the process plant works at US\$150,000 per day and the Group may recover the same from CNEEC as a debt.

On 27 December 2016, LLC KS GOK and CNEEC entered into an additional agreement (the "Additional Agreement") to the EPC Contract that the Taking-Over Certificate would be issued on 31 December 2016.

On 25 January 2021, LLC KS GOK sent a Notice of Adjudication to the Dispute Adjudication Board ("DAB") under the EPC Contract procedure with the claim for the total amount of US\$75,372,000, constituting of: (i) delay penalties in respect of the period from 26 July 2016 until 31 December 2016; (ii) performance penalties; and (iii) reimbursement of the costs of remedial works against CNEEC.

On 7 January 2022, LLC KS GOK specified its claim to the DAB proceedings of at least US\$38,207,000 and RUB1,036,846,000, made up as follows:

- delay penalties for the delayed completion of the process plant works, amounting to US\$1,006,000. Such an amount is calculated on the basis of set-off performed by LLC KS GOK in respect of the principal amount US\$22,694,000 claimed by CNEEC, as against LLC KS GOK's entitlement to delay penalties. Such set-off was performed by way of notice to CNEEC dated 23 August 2021. To the extent CNEEC is held not to be entitled to the principal amounts, LLC KS GOK claims the full amount of delay penalties in respect of the delayed completion of the process plant works, amounting to US\$23,700,000;
- reimbursement of the costs of remedial works carried out by LLC KS GOK in relation to defects in the process plant works, amounting to at least RUB123,590,000 and US\$230,000;
- performance penalties, amounting to US\$30,335,000;
- delay penalties for the delayed completion of the drying unit, amounting to US\$6,635,000;
- reimbursement of the costs of remedial works carried out by LLC KS GOK in relation to the quantified defects in the drying unit works, amounting to RUB9,652,000; and
- reimbursement of the costs of remedial works carried out by LLC KS GOK in relation to the ongoing defects in the drying unit works, amounting to RUB903,605,000.

On 6 October 2023, CNEEC issued its response and supporting evidence in the DAB proceedings, in response to the claims pursued by LLC KS GOK. According to its response, CNEEC rejected the various claims pursued by LLC KS GOK and denied all liability for the amounts sought by LLC KS GOK.

CNEEC counterclaimed an entitlement to certain deferred payments totalling US\$22,694,000 plus interest (at a daily rate of 0.05% and stated to amount to US\$18,541,190 as of 6 October 2023). CNEEC also sought further financing charges at a rate of US\$11,347.22 per day from 7 October 2023 to the date it receives full payment of the deferred payments.

On 23 January 2025, LLC KS GOK and the EPC contractor reached a full and final settlement of the dispute. Under the terms of the settlement agreement, both parties agreed to a mutual release from all liabilities and claims, including interest and legal costs, and all related legal proceedings have been withdrawn.

Consequently, the Group has derecognised the relevant construction cost payables of US\$22,694,000 and other accrued costs related to the dispute of US\$23,693,000, and resulted upon reversal of such related accrued costs and payables in the consolidated statement of profit or loss for the year amounted to US\$29,883,000, and reduced the carrying amount of the relevant construction costs of of K&S Project's assets that had previously been capitalised to reflect the derecognition of these capitalised costs.

For the year ended 31 December 2025

32. TRADE AND OTHER PAYABLES (CONTINUED)

The ageing analysis of trade payables based on invoice date is as follows:

	2025 US\$'000	2024 US\$'000
Less than one month	12,202	8,738
One month to three months	1,870	2,979
Over three months to six months	225	232
Over six months	24	159
	14,321	12,108

The average credit period on purchases of goods and services for the year was 22 days (2024: 23 days). The directors of the Company consider that the carrying amount of trade creditors and other payables approximates their fair value.

At 31 December 2025, 98.0%, 1.0%, 1.0% and 0% (2024: 90%, 2%, 1% and 7%) of the carrying amounts of the Group's trade payables are denominated in Russian Roubles, US\$, Renminbi and Arab Emirates Dirhams respectively.

33. SHARE-BASED PAYMENTS

On 20 November 2015, the Company adopted a share option scheme ("Share Option Scheme") that has been expired on 19 November 2025.

Pursuant to the Share Option Scheme, any employee, director and any person or entity acting in their capacities as consultants of the Group may be granted share options under the Share Option Scheme.

On 22 February 2024, all outstanding options granted under the Share Option Scheme were cancelled or lapsed upon completion of a mandatory conditional cash offers made by Axioma Capital. For details, please refer to the paragraph "Mandatory Conditional Cash Offers" in the Directors' Report of IRC's annual report for the year ended 31 December 2023. As such, as at the date of this annual report, the total number of shares available for issue upon the exercising of the outstanding options as at 31 December 2024 and 2025 under the Share Option Scheme was nil.

During the year ended 31 December 2024 and 2025, no options were exercised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

34. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**Reconciliation of liabilities arising from financing activities**

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Borrowings US\$'000	Lease liabilities US\$'000	Total US\$'000
At 1 January 2024	67,321	58	67,379
Financing cash flow	(29,997)	(135)	(30,132)
Interest expense	7,331	8	7,339
New leases entered	–	252	252
Other payables	99	–	99
Exchange differences	–	(5)	(5)
At 31 December 2024 and 1 January 2025	44,754	178	44,932
Financing cash flow	(20,180)	(617)	(20,797)
Interest expense	3,706	599	4,305
New leases entered	–	13,332	13,332
Other payables	(207)	–	(207)
Exchange differences	–	250	250
At 31 December 2025	28,073	13,742	41,815

35. OPERATING LEASE ARRANGEMENTS**The Group as lessor**

The Group earned property rental income of approximately US\$740,000 (2024: US\$611,000) during the year ended 31 December 2025, relating to the sub-let of part of the floor space of buildings owned by JSC Giproruda. At 31 December 2025 and 2024, the Group had contracted with tenants for minimum lease payments due within eleven months.

Minimum lease payments receivable on leases are as follows:

	2025 US\$'000	2024 US\$'000
Within one year	650	487

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36. RELATED PARTY TRANSACTIONS**(a) Related parties**

As disclosed in note 28, on 22 February 2024, MIC invest LLC has been disposed its entire interest of shares of the Company and MIC invest LLC no longer the substantial shareholder and the related party of the Group. Since 22 February 2024, Axioma Capital become the ultimate parent of the Company.

(b) Related parties transactions

The Group had the following transactions with its related parties during the year:

	2025 US\$'000	2024 US\$'000
Interest expenses incurred to MIC invest LLC	-	1,171

(c) Key Management Compensation

The remuneration of directors and other members of key management during the year was as follows:

	2025 US\$'000	2024 US\$'000
Short-term benefits	3,793	3,485
Post-employment benefits	444	503
	4,237	3,988

The remuneration of key management personnel is determined by the remuneration committee with regards to the performance of the individuals and market trends.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

37. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY**(a) Statement of financial position of the Company**

	2025 US\$'000	2024 US\$'000
ASSETS		
Non-current assets		
Investments in subsidiaries	247,053	362,872
Right-of-use assets	52	178
Property, plant and equipment	–	–
Total non-current assets	247,105	363,050
Current assets		
Prepayment and other receivables	363	334
Amounts due from subsidiaries	27,874	2,135
Bank and cash balances	2,223	37,580
Total current assets	30,460	40,049
TOTAL ASSETS	277,565	403,099

For the year ended 31 December 2025

37. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)**(a) Statement of financial position of the Company (continued)**

	Note	2025 US\$'000	2024 US\$'000
EQUITY			
Capital and reserves			
Share capital	26	1,350,734	1,350,734
Other reserves		20,824	20,824
Accumulated losses		(1,186,456)	(1,056,169)
Total equity		185,102	315,389
LIABILITIES			
Non-current liabilities			
Loan from a subsidiary		64,424	61,032
Lease liabilities		–	54
Total non-current liabilities		64,424	61,086
Current liabilities			
Amounts due to subsidiaries		25,997	24,939
Accruals and other payables		1,988	1,561
Lease liabilities		54	124
Total current liabilities		28,039	26,624
TOTAL EQUITY AND LIABILITIES		277,565	403,099

Approved and authorised for issue by the Board of Directors on 25 March 2026 and are signed on its behalf by:

Nikolai Levitskii

Name of Director

Denis Cherednichenko

Name of Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED...)

For the year ended 31 December 2025

37. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)**(b) Reserve movement of the Company**

	Capital reserve US\$'000	Share-based payment reserve US\$'000	Other reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
At 1 January 2024	592	6,473	13,759	(1,036,312)	(1,015,488)
Loss and total comprehensive expense for the year	-	-	-	(19,857)	(19,857)
At 31 December 2024 and 1 January 2025	592	6,473	13,759	(1,056,169)	(1,035,345)
Loss and total comprehensive expense for the year	-	-	-	(130,287)	(130,287)
At 31 December 2025	592	6,473	13,759	(1,186,456)	(1,165,632)

38. EVENTS AFTER THE REPORTING PERIOD**(a) Rights issue**

On 24 October 2025, the Company proposed to raise up to approximately HK\$325.9 million (equivalent to approximately US\$41.8 million) before expenses by way of a rights issue to issue a maximum of 638,974,294 rights shares at a subscription price of HK\$0.51 per right share on the basis of one rights share for every two existing shares. The rights issue was non-fully underwritten by Axioma Capital, who had conditionally agreed to underwrite such number of rights shares which, together with the shares already held by Axioma Capital, would be up to and not exceeding 75% of the total enlarged number of issued shares of the Company at the completion of the rights issue.

The rights issue was completed on 6 February 2026 for which 638,974,294 rights shares had been issued and the Company had raised approximately HK\$325.9 million (equivalent to approximately US\$41.8 million) before expenses.

(b) Other loans principal repayment

In February and March 2026, the Group made voluntary early principal repayments to MIC invest LLC totaling of US\$28.1 million to fully repay the other loans.

FINANCIAL SUMMARY

Results of the Group for the year ended 31 December					
	2021	2022	2023	2024	2025
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	371,279	278,757	252,987	221,156	258,062
Profit/(loss) attributable to owners of the Company	134,069	(87,896)	(156,809)	(20,491)	(131,468)
Assets and liabilities of the Group as at 31 December					
	2021	2022	2023	2024	2025
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Total assets	709,146	593,952	451,037	445,835	276,369
Less: Total liabilities	(192,767)	(145,681)	(162,058)	(130,446)	(91,267)
Total net assets	516,379	448,271	288,979	315,389	185,102

GLOSSARY

This glossary contains definitions of certain terms used in this report in connection with the Group and its business. Some of these may not correspond to standard industry definitions.

ASP	Achieved selling price
Axioma	AXIOMA CAPITAL FZE LLC, a wholly-controlled company of Mr. Nikolai Levitskii
Board	The Board of Directors
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFR	INCOTERM Cost and Freight
CIM	The Canadian Institute of Mining, Metallurgy and Petroleum
CNEEC	China National Electric Engineering Company Limited, the principle EPC contractor at the K&S Project
Concentrate	The clean product recovered from a treatment plant
DAP	INCOTERM Delivery at Place
Deposit	Mineral deposit or ore deposit is used to designate a natural occurrence of a useful mineral, or an ore, in sufficient extent and degree of concentration
Directors	The directors of the Company
DSO	Direct shipping ores. Ores that are economic due to their high grades and therefore limited requirement for upgrading and processing before sale to end users. Raw material for iron ore concentrate, isometric mineral, Fe
EAO	Jewish Autonomous Region, an oblast of the Russian Federation
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPC	Engineering, Procurement and Construction contract
Exploration	Method by which ore deposits are evaluated
Fe	The chemical symbol for iron
Feasibility study	An extensive technical and financial study to assess the commercial viability of a project
Flotation	A mineral process used to separate mineral particles in a slurry, by causing them to selectively adhere to a froth and float to the surface
FOB	INCOTERM Free on Board
Gazprombank	Gazprombank, is a private-owned Russian bank, the third largest bank in Russia by assets
GDP	Gross domestic product
General Nice	General Nice Development Limited is a Hong Kong incorporated holding company which trades and produces steel raw material commodities in China and globally
Geophysical	Prospecting techniques which measure the physical properties (magnetism, conductivity, density, etc.) of rocks and define anomalies for further testing
Geotechnical	Referring to the use of scientific methods and engineering principles to acquire, interpret, and apply knowledge of earth materials for solving engineering problems
Grade	Relative quantity or the percentage of ore mineral or metal content in an ore body
HK\$	Hong Kong Dollar, the lawful currency of Hong Kong
HKEX	Hong Kong Exchanges and Clearing Limited
Hong Kong	The Hong Kong Special Administrative Region of the PRC
HSE	Health, Safety and Environment
Ilmenite	Iron titanium oxide; a trigonal mineral, chemical formula FeTiO_3
JORC code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004 edition), as published by the Joint Ore Reserves Committee, as amended from time to time
K&S	A magnetite development project in the Company's portfolio consisting of the Kimkan deposit and the Sutara deposit
LTIFR	Lost time injury frequency rate, the number of lost time injuries per million man hours worked
Magnetite	Fe_3O_4 ; major mineral in banded iron formations, generally low grade (1.5%-40% iron)

GLOSSARY (CONTINUED...)

Metallurgical	Describing the science concerned with the production, purification and properties of metals and their applications
MIC	MIC invest Limited Liability Company, a wholly-controlled company of Marina Alexeevna Kolesnikova
Micon	Micon International Limited has provided consulting services to the international mining industry since 1988, with particular focus upon mineral resource estimations, metallurgical services, mine design and production scheduling, preparation of pre-feasibility and feasibility studies, independent reviews of mining and mineral properties, project monitoring, independent engineer roles, financial analysis and litigation support. Micon's resource estimate complies with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards and definitions, as required by Canadian National Instrument 43-101 (NI 43-101)
Mill	Equipment used to grind crushed rocks to the desired size for mineral extraction
Mineralisation	Process of formation and concentration of elements and their chemical compounds within a mass or body of rock
NI 43-101	Also referred to as National Instrument 43-101, the (Canadian) Standards of Disclosure for Mineral Projects, including Companion Policy 43-101 as amended from time to time
NRI	Non-recurring items
Open-pit	A large scale hard rock surface mine; mine working or excavation open to the surface
Optimisation	Co-ordination of various mining and processing factors, controls and specifications to provide optimum conditions for technical/economic operation
Ore	Material from which a mineral or minerals of economic value can be extracted profitably or to satisfy social or political objectives
Ore-field	A zone of concentration of mineral occurrences
Ore body	Mining term to define a solid mass of mineralised rock which can be mined profitably under current or immediately foreseeable economic conditions
Ore Reserves	The parts of a Mineral Resource that can at present be economically mined
Petropavlovsk	Petropavlovsk PLC, the London Stock Exchange quoted, Russian gold mining company
Precious metal	Gold, silver and platinum group minerals
Primary	Characteristic of or existing in a rock at the time of its formation; pertains to minerals, textures and etc.; original
Processing	Methods employed to clean, process and prepare materials or ore into the final marketable product
Recovery	Proportion of valuable material obtained in the processing of an ore, stated as a percentage of the material recovered compared with the total material present
Resources	The concentration of material of economic interest in or on the earth's crust
ROM	Run-of-mine. This is recovered ore, as mined with dilution, before any pre-concentration or other form of processing
Rospotrebnadzor	The federal service for surveillance on consumer rights protection and human wellbeing
Russian Far East	Refers to the Far Eastern Federal district of the Russian Federation, which covers the area of Russia between Lake Baikal in Siberia and the Pacific Ocean
Rouble or RUB	Russian Rouble
Shareholder(s)	Holder of the Share(s)
SRP	Steel/Slag Reprocessing Project
Stock Exchange	The Stock Exchange of Hong Kong Limited
Tailings	Material that remains after all metals/minerals considered economic have been removed from the ore
TiO ₂	Titanium dioxide. A fine white powder. Used in paints, plastics or paper, it provides for maximum whiteness and opacity
Titanomagnetite	Concentrate which is a variation of a magnetite concentrate typically with a high vanadium and titanium content
Tonne/t	1 wet metric tonne (1,000 kg)
Treatment plant	A plant where ore undergoes physical or chemical treatment to extract the valuable metals/minerals
US Dollar or US\$	United States Dollar

LIST OF ABBREVIATIONS

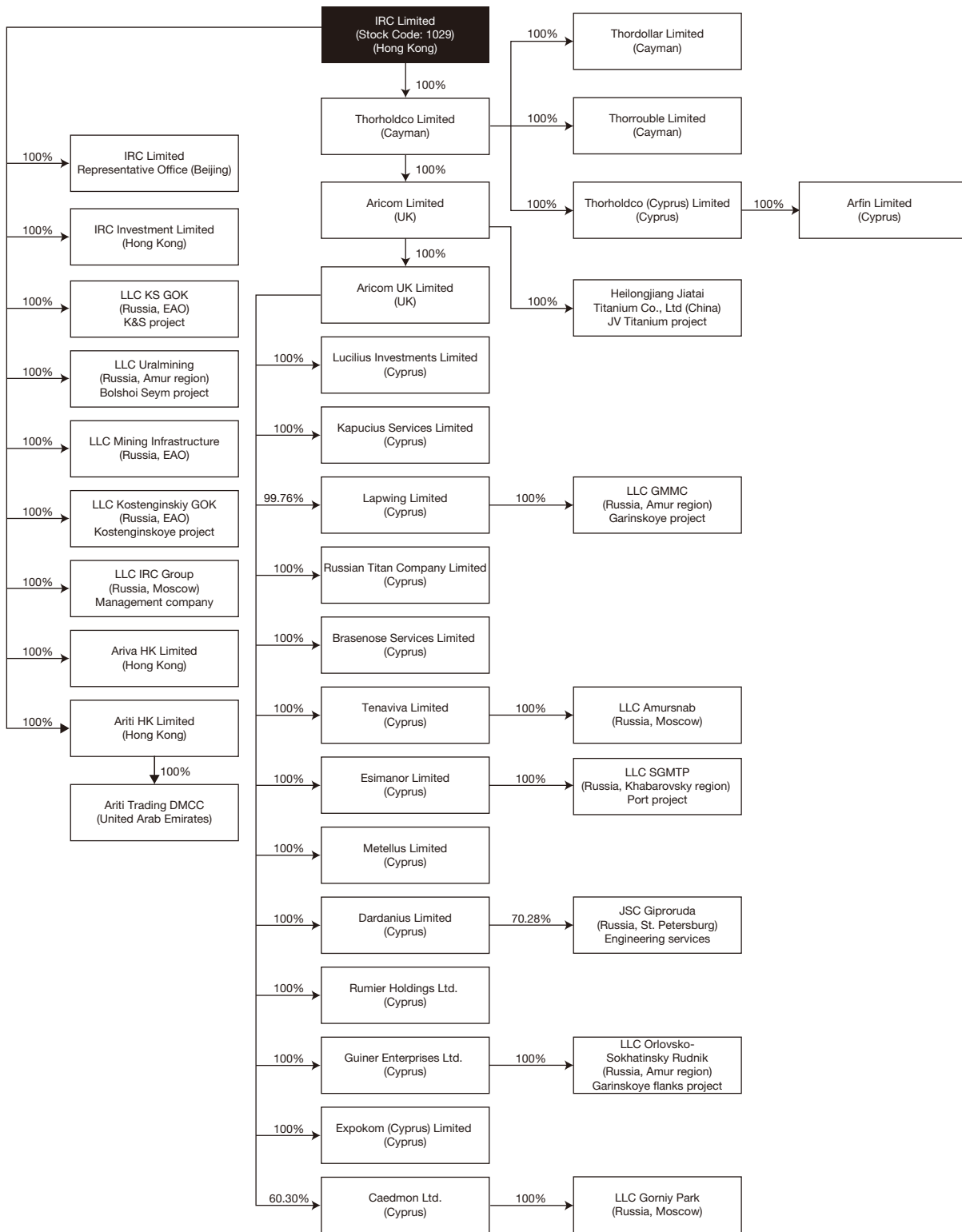
°C	degrees Celsius, a thermal unit equivalent to Kelvin+273.15
CaO	chemical symbol for calcium oxide or quicklime
dmt	dry metric tonne, a unit of mass equivalent to 1,000 kg
Fe	chemical symbol for iron
Fe _{magn}	total iron in the ore originating from magnetite
Fe _(total)	total amount of iron content
ha	hectares
kg	kilogramme, the SI unit of mass
km	kilometres, a unit of length equivalent to 1,000 m
km ²	square kilometres, a unit of area equivalent to 1,000,000 m ²
Kt	thousand tonnes
Ktpa	thousand tonnes per annum
kV	kilovolts, one thousand volts, a unit of electromotive force
Kwh	kilowatt hour, a unit of energy
m	metres, the SI unit of length
m ³	cubic meter, a unit of volume
mm	millimetres, unit of length equivalent to 0.001 m
Mt	million tonnes
Mtpa	million tonnes per annum
mWt	megawatt, one million watts, a unit of power
nm	not measured
t	a wet metric tonne, a unit of mass equivalent to 1,000 kg
tpa	tonnes per annum
TiO ₂	chemical symbol for titanium dioxide
V ₂ O ₅	chemical symbol for vanadium pentoxide
wmt	wet metric tonne, a unit of mass equivalent to 1,000 kg

Figures in this annual report may not add up due to rounding. All volume of tonnage used in this annual report, unless specified, refer to wet metric tonne. All dollars refer to United States Dollars unless otherwise stated.

All maps and diagrams in this report are for illustration purposes only and are not to scale.

Production volumes disclosed in this annual report are determined net of the excessive moisture content within the products, as shipped to the customers. Production rate of K&S is calculated based on an annual production capacity of approximately 3,155 thousand wet metric tonne.

CORPORATE STRUCTURE



CORPORATE INFORMATION

IRC LIMITED — 鐵江現貨有限公司

Stock Exchange of Hong Kong: 1029

As at 31 December 2025

HEADQUARTERS, REGISTERED ADDRESS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG:

6H, 9 Queen's Road Central, Central District
Hong Kong Special Administrative Region
of the People's Republic of China

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Facsimile: +852 2772 0329

Corporate Website: www.ircgroup.com.hk

Hong Kong Business Registration number: 52399423

CHAIRMAN

N.V. Levitskii

NON-EXECUTIVE DIRECTOR

N.V. Levitskii

EXECUTIVE DIRECTOR

Chief Executive Officer: D.V. Cherednichenko

INDEPENDENT NON-EXECUTIVE DIRECTORS

D.V. Dobryak

N.K. Ozhegina

A.M. Romanenko

V.G. Sheremet

COMMITTEES OF THE BOARD

Audit Committee

A.M. Romanenko (*Chairman*)

V.G. Sheremet

D.V. Dobryak

Remuneration Committee

D.V. Dobryak (*Chairman*)

N.V. Levitskii

N.K. Ozhegina

Health, Safety and Environment Committee

N.K. Ozhegina (*Chairlady*)

A.M. Romanenko

V.G. Sheremet

Nomination Committee

N.V. Levitskii (*Chairman*)

D.V. Dobryak

N.K. Ozhegina

AUTHORISED REPRESENTATIVES FOR THE PURPOSES OF THE STOCK EXCHANGE OF HONG KONG LIMITED

D.V. Cherednichenko

J.S.C. Yuen

COMPANY SECRETARY

J.S.C. Yuen

AUDITOR

RSM Hong Kong, *Certified Public Accountants*

Registered public interest entity auditors

LEGAL ADVISERS AS TO HONG KONG LAW

Chiu & Partners

RISK FACTORS

RISK FACTORS

The Group is exposed to a variety of risks and uncertainties that could have significant impact on its business and financial results. The Group seeks to undertake a pro-active approach that anticipates risk, seeks to identify them, measure their impacts and thereby avoid, reduce, transfer or control such risks.

The factors set out below are those that the Group believes could result in a material difference between the Group's financial condition or the results of its operations and the expected or historical results. There may be other risks in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Risk of iron ore price volatility and foreign exchange movements

The Group's revenues rely on the iron ore prices, while the operating costs are sensitive to the inflation in Russia and foreign exchange movements of Russian Rouble. These parameters are subject to changes in global economic environment, political landscape and market supply disruptions. The volatility in iron ore price, inflation, and foreign exchange may also result in the need to provide for assets impairments in the Group's financial statements.

To address the risks, if appropriate, various hedging instruments have been taken to protect against the downside risk of the iron ore price and the appreciation risk of the Russian Rouble. The Group could use different hedge strategies from time to time depending on the market situation of iron ore price and Russian Rouble.

Risk of customers concentration

Currently, the Group's iron ore business only has a limited number of major customers. This essentially creates a buyers' market and gives the customers a higher level of bargaining power.

In light of this risk, the Group has been expanding its customer base by selling to other customers, such as seaborne customers, although the transportation costs could be higher. External consultant has been engaged to provide advices and explore new market opportunities.

Risk of suppliers' concentration

The Group currently have two main mining contractors who are doing a majority of the mining works at K&S. In case these mining contractors have any technical/financial difficulties and decide to pull out of the project, K&S could face an adverse situation with ore mining and supply, and consequently could affect production. Besides, this gives these mining contractors higher level of bargaining power on mining fees which might adversely affect K&S's profitability.

To mitigate this risk, the Group has ongoing discussions with a number of other mining contractors for risk diversification. Moreover, one of the current mining contractors has a long-established relationship with IRC and this provides a certain level of comfort, while another mining contractor is planning to increase the scale of mining operation. K&S is setting up its own in-house mining fleet to reduce the level of reliance on external mining contractors.

RISK FACTORS (CONTINUED...)

Risk of going concern

The Group may not have adequate funding to meet its debts as they fall due.

Cash flow forecasts are prepared on a regular basis and any potential funding gaps are identified and addressed timely. IRC has already repaid a significant amount of the loan to reduce the liquidity risk. Debt-equity swap, if considered appropriate, could also mitigate liquidity issues. A rights issue was conducted in 2025 and completed in 2026 to strengthen the cash position of the Group.

Risk of fixed assets damage resulting in downtime in production or fluctuation in production volume

Fixed assets play an important role in the Group's iron ore concentrate production. With only a single project in operation, any production downtime or delay in production ramp up would have direct impact to the Group.

The K&S site team is experienced and is technically competent. The plant has been in commercial production for years and production is currently at relatively high capacities indicating that most of the operating issues have been resolved.

Risk of products' competitiveness

The Group's revenue stream is mainly derived from the sale of a single product (iron ore concentrate) from a single project (K&S) and there could be a risk of high product concentration.

K&S is focusing on the production and sale of the 65% iron ore concentrate which is a premium product. It is essentially a different market segment to the 62% iron ore concentrate and is more preferred by the market. As the quantity produced by K&S only represents a small percentage of the global market share, the risk of not being able to sell the product is relatively low.

Risk of conducting business in Russia

IRC is listed on the Hong Kong Stock Exchange but the majority of the Group's assets and business operations are located in Russia. Sanctions from other countries as well as the local economic political and social conditions, including taxation policies, could affect the business of the Group.

The Group closely monitors the economic, political, legal and social developments in Russia and maintains close relationship with local authorities and seeks assistance where necessary. The Company continues to review and consider the impact, if any, of the UK, EU and US sanctions. As of now, and so far as the Board is aware, based on its current assessment and the information currently available, the sanctions have no material direct impact on the Group or its operations.

Although the Group's operations and activities in Russia and elsewhere are currently continuing as usual, as the geopolitical situation continues to develop, there is a risk of supply chain disruptions affecting K&S's operation, the purchase of mining fleet inter-bank funding movements, and the development of the Sutara pit. The Company will continue to closely monitor sanctions developments and address the risks, if any, accordingly.

Risk of loss of key management

There is a risk that IRC may find it difficult to attract and/or retain key personnel.

Directors and key management of IRC have resignation notification periods providing IRC time to find suitable replacements. Reliever staff on key operating areas are appointed to ensure smooth transition in case of staff departure. Share options, which are vested over a period of time, are granted to key personnel. Discretionary bonuses are offered to reward exceptional performance and salary levels are being reviewed regularly to ensure that they are competitive and on market levels.

Risk of non-compliance with rules and regulations

IRC is a listed company in Hong Kong and needs to comply with the relevant rules and regulations such as the listing rules, accounting standards and the Companies Ordinance. The operations in Russia also need to comply with relevant requirements under the local jurisdictions.

To control this risk, the Board and the senior management of IRC possess the relevant experience and knowledge for the compliance with the relevant rules and regulations. Besides, advices from independent legal counsels and professional advisors are sought where necessary. Formal training is provided to the board annually. Continuing professional development seminars and rules and regulations updates are attended by senior management.

DISCLAIMER

Some statements contained in this document referred to in it are or may be forward-looking statements. Statements reflect the Company's current views with respect to future events and are subject to risks, assumptions, uncertainties and other factors beyond the Company's control that could cause actual results to differ from those expressed in such statements. Although the Company believes that such forward-looking statements, which speak only as of the date of this document, are reasonable, no assurance can be given that they will prove to be correct. Therefore, you should not place undue reliance on these statements. There can be no assurance that the results and events contemplated by the forward-looking statements contained in this document will, in fact, occur. The Company will not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this document, except as required by law or by any appropriate regulatory authority. Nothing in this document or in documents referred to herein should be considered as a profit forecast. Past performance of the Company or its shares cannot be relied on as a guide to future performance. This document does not constitute, or form part of or contain any invitation or offer to any person to underwrite, subscribe for, otherwise acquire, or dispose of any shares in IRC Limited or advise persons to do so in any jurisdiction, nor shall it, or any part of it, form the basis of or be relied on in any connection with or act as an inducement to enter into any contract or commitment therefore. In particular, this document and the information contained herein are not an offer of securities for sale in the United States of America. No reliance may be placed for any purpose whatsoever on the information or opinions contained in this document or on its completeness and no liability whatsoever is accepted for any loss howsoever arising from any use of this document or its contents or otherwise in connection therewith. The development and production plans and estimates set out herein represent the current views of the Company's management. The Company's Board reviews the production estimates on an ongoing basis. All planning is subject to available funding and capital allocation decisions. This document is prepared in compliance with Hong Kong law and the courts of the Hong Kong Special Administrative Region of the People's Republic of China will have exclusive jurisdiction over any disputes arising from or connected with this document.

Investor Relations

IRC Limited
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Hong Kong SAR

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- ☎ +852 2772 0007
- ✉ ir@ircgroup.com.hk
- 👉 www.ircgroup.com.hk

MILESTONES

Our Future	K&S	Full capacity to 3.2Mt per year Doubling production (Phase II)
	Garinskoye	Iron ore concentrate production
2025	K&S	Successful commissioning of Sutara
2024	IRC	Rights issue completed
	K&S	Commissioning of Sutara
2023	IRC	Recording underlying profit despite challenging operating environment
	K&S	Upgrades allowing processing of lower quality ore Development of Sutara on track
2022	IRC	Recording underlying profit despite challenging operating environment Completion of a partial debt to equity swap
	K&S	Development of Sutara on track
2021	IRC	Underlying profit reached new high Significant reduction in net debt
	K&S	Development of Sutara on track
2020	IRC	Maiden underlying profit
	K&S	Successful diversion of sales to new Chinese customers via seaborne routes
2019	IRC	ICBC refinancing completed
	K&S	Operated at 100% of designed capacity in October
	SRP	Vanadium joint venture recommenced operation
2018	K&S	Entry into refinancing facility with Gazprombank Operated at 105% of designed capacity during a 24-hour run Produced over 2.2 million tonnes in 2018
	K&S	Commercial production (Phase I) 90%-capacity loading test Produced over 1.5 million tonnes in 2017
	IRC	Tiger Capital shares subscription
2016	K&S	Trial production commenced and ramp-up First iron ore concentrate production Final hot commissioning and testing
	IRC	Completed fully underwritten Open Offer
2015	K&S	Ongoing commissioning and testing
	K&S	Commissioning programme commenced
2014	K&S	Commissioning programme commenced
	IRC	General Nice strategic alliance
2013	K&S	Ongoing construction
	IRC	General Nice strategic alliance
2012	Kuranakh	Ilmenite production full capacity
	Garinskoye	DSO operation announced
	Exploration	Ilmenite & Molybdenum Exploration acquisitions
2011	IRC	Group reserves increase threefold
	Kuranakh	Full year production targets exceeded
	K&S	First drawdown ICBC facility Optimisation study to double K&S production
2010	IRC	HKEX listing
	Kuranakh	Commissioned
	K&S	US\$340m ICBC facility US\$400m CNEEC EPC contract
	SRP	First production





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