

Ferro-Alloy Resources Limited
Annual Report
for the year ended
31 December 2025



Ferro-Alloy Resources Limited

Annual Report 2025

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“A low-cost vanadium producer emerging in Kazakhstan..”

Ferro-Alloy Resources Limited is developing the giant Balasausqandiq vanadium deposit in the Kyzylordinskaya oblast of southern Kazakhstan. Being sedimentary in nature, unlike most other primary vanadium deposits in the world, Balasausqandiq ore does not require pre-concentration or roasting of the ore, giving far lower capital and operating costs. With carbon as a valuable by-product, Balasausqandiq is expected to have the lowest vanadium cash production costs in the world.

Planned output for Phase 1 is 8,500 tonnes of vanadium pentoxide, with plans to increase up to four times more in a second phase.

“The development of Balasausqandiq has the potential to make a significant impact on the world of vanadium. We intend on meeting the rapidly expanding demand from battery storage as well as for the steel industry faster, at lower capital costs per annual tonne, and at a lower cash production cost than other existing or planned vanadium producers.”

Nicholas Bridgen, *Chief Executive Officer*



Feasibility Study

On 13 October 2025, the Company announced the results of its feasibility study on Phase 1 of the Balasausqandiq vanadium deposit (the "Project") in Southern Kazakhstan (the "Feasibility Study") that identified the strategic nature of the Project and its potential to become one of the largest and lowest cost vanadium producers globally.

The Company subsequently announced on 4 November 2025 that the Company had received an indicative cost estimate from China National Chemical Engineering Sixth Construction Co., Ltd ("CC6") for the engineering, procurement and construction ("EPC") for the Project (excluding the relatively minor costs of the equipment relating to uranium and molybdenum sorption) of US\$261m.

Taking into account the CC6 EPC cost estimate and the results of the Feasibility Study, the compelling economics of the Project (Phase 1 only) are as follows:

Capital expenditure (including working capital, strategic spares, owner's costs, insurance etc.)	US\$313.2m
Contingency	US\$42.4m
Pre-production income, less costs	US\$(43.7)m
Funding required to get into production	US\$311.9m
Net Present Value (after tax, discount rate of 8%)	US\$931.6m
Project Internal Rate of Return	31%
Cash cost of production (V_2O_5 equivalent basis)	US\$4.35/lb
Cash cost of production net of by-products	US\$0.36/lb
Annual production of V_2O_5 (tonnes)	8,500
Annual production of carbon black substitute (tonnes)	247,000
Mine life (years)	20

Further phases of development after this are likely, based on six further ore-bodies currently identified.

Background

Most of the world's vanadium is produced from vanadiferous titano-magnetite, a form of iron ore, using a process which requires pre-concentration and high temperature roasting. However, the Balasausqandiq ore-body benefits from being a black shale, which does not require concentration or roasting, resulting in a simpler flow sheet, with lower production costs and significantly reduced environmental emissions.

The Group previously operated a large scale 15,000 tonnes per annum pilot plant that enabled the process to be optimised. Around 20 tonnes of ammonium metavanadate ("AMV") (a product which only requires a final heating stage to convert to vanadium pentoxide (" V_2O_5 ")) was produced and sold commercially. With certain modifications, the pilot plant operates today as a research and development ("R&D") centre for the Group's carbon black substitute ("CBS") products as well as for treating purchased concentrates.

Independent Feasibility Study results

In 2021, SRK Consulting (Kazakhstan) Limited ("SRK") in conjunction with Tetra Tech Limited ("Tetra Tech"), were commissioned to produce a feasibility study to independently verify the Group's processes. The Group also commissioned SGS Canada Inc ("SGS"), an international independent laboratory testing organisation, to carry out the detailed test work under the supervision of Tetra Tech.

Value enhancement opportunities

During completion of the Feasibility Study, the Group identified areas for optimisation and value enhancement beyond those included in the final Feasibility Study. It is expected that further investigation during the front-end engineering and design ("FEED") stage of the Project could lead to significant further improvement in Project economics.

The following are the areas which the Company believes have potential for optimisation which could reduce capital and operating costs, increase production, and significantly improve the Project net present value and internal rate of return.

Reagent consumption and metallurgical recovery

The Feasibility Study has incorporated the higher level of reagent consumption that was indicated by the laboratory-scale test work carried out by SGS, achieving a metallurgical recovery of 86.2%. Significantly lower reagent consumptions were used in the much larger scale historical pilot test work programme, also achieving a higher metallurgical recovery. The Group's technical team believe that lower reagent consumption and higher recovery can be achieved in actual operations, and this will be tested further.

Carbon recovery

Carbon concentrator recovery was tested by SGS but the potential to enhance recoveries by recirculating the concentrator tailings is still to be confirmed. Although a conservative estimate of recovery is included in the Feasibility Study, there are indications that a higher recovery might be achievable. This would be expected to increase the scale of CBS production, expanding the Company's by-product value, and further reducing the Project's already industry leading forecast net cash operating costs.

CBS dry milling

The Feasibility Study design for the milling of the CBS product is premised on wet milling but the Group has installed and tested a 400 kg per hour dry milling test plant and achieved excellent results, albeit testing with milled

ore rather than concentrate. The use of dry milling greatly simplifies the operation as filtration and drying of finely milled powders is avoided. The Company believes that it is likely that this part of the operation will be changed to a dry milling process during the FEED stage of development, delivering significant capital cost savings and further enhancement of Project economics.

New CBS product

The Group has developed a new CBS product (see Company announcement dated 27 June 2025) which can be made from the high-carbon waste to be mined to access the vanadium ores. This is in addition to the original CBS product which is made by concentrating the carbon in the tailings from the vanadium treatment plant. The new material has not been included in the Feasibility Study. No scheduling of production has yet been carried out but the amounts of suitably high carbon material within the waste already scheduled to be mined would indicate that an average of around 225,000 tonnes of this new type of material might be produced per year in addition to the 247,000 tonnes of the original CBS that have been included in the Feasibility Study. This material is available at no additional mining cost, requiring limited capital expenditure on crushing and dry milling. Discussions with potential customers are continuing after successful laboratory testing. Further bulk testing of this product is planned.

Value engineering

The Group's operational team has gained considerable experience in procurement and fabrication through the construction and development of the Group's existing operations. The Company believes that there is the opportunity to negotiate more favourable terms with suppliers than those included in the Feasibility Study, particularly regarding local and regional services and equipment.

Feasibility Study continued

Mineral Resources and Ore Reserves

Resource Class	Weathering grade	Mass (Mt)	Grade (%)				Material Content (tonnes)			
			V ₂ O ₅	Mo	U	C	V ₂ O ₅	Mo	U	C
Measured	-	-	-	-	-	-	-	-	-	-
Indicated Resource	Oxide	1.56	0.67	0.0139	0.0047	7.16	10,560	216	73	112,151
	Transitional	1.25	0.66	0.0138	0.0045	7.17	8,260	172	56	89,869
	Fresh - sulphide	30.08	0.61	0.0150	0.0052	8.83	184,814	4,523	1,554	2,655,454
	Total	32.89	0.62	0.0149	0.0051	8.69	203,634	4,911	1,683	2,857,473
Inferred	-	-	-	-	-	-	-	-	-	-

* Differences may occur in totals due to rounding.

Ore Class	Weathering grade	Mass (Mt)	Grade (%)				Material Content (tonnes)			
			V ₂ O ₅	Mo	U	C	V ₂ O ₅	Mo	U	C
Probable Reserve	All Material Types	30.93	0.59	0.0143	0.0049	8.35	181,781	4,421	1,520	2,528,596

* The Balasausqandiq Ore Reserve Statement has its effective date as 30 September 2025, and is reported at a cut-off grade of 0.29% V2O5 Eq within an optimal pit shell.

The Reporting Standard adopted for reporting of the Mineral Resource and Ore Reserve Statements for the Project is that defined by the terms and definitions given in "The 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia" (the "JORC Code (2012)").

The JORC Code (2012) has been aligned with the Committee for Mineral Reserves International Reporting Standards ("CRIRSCO") reporting template.

Mining

The Balasausqandiq mine will comprise a conventional drill and blast, truck and shovel open pit operation, with waste rock dumps located externally to the pit. The open pit operation is planned to deliver 30.9 million tonnes ("Mt") of ore from 167.7 Mt total material mined, over a mine life of 20 years, with an average strip ratio of 4.4 tonnes of waste per tonne of ore, with average grades of 0.59% V₂O₅, 8.35% carbon, 0.005% uranium and 0.014% molybdenum.

Metallurgy

The Feasibility Study test work programme was designed to independently verify the processes developed by the Group for the efficient extraction of vanadium, molybdenum,

uranium and carbon products from the Balasausqandiq black shale ore. The bulk and variability testing programme at SGS used ore samples representative of the Balasausqandiq mineralisation selected by Group geologists and Tetra Tech. The tests completed on crushing, grinding, leaching, impurity removal, product purification, carbon, solid liquid separation and tailings management provided SRK and Tetra Tech validated measurements to support performance parameters, equipment selection and financial metrics. Additional process improvement opportunities have been identified during the Feasibility Study that will be considered and incorporated during the following detailed design phase.

Carbon

The ore at Balasausqandiq contains around 8.35% carbon which flows through to the tailings from the vanadium extraction process. Test work carried out by SGS indicated that the carbon level in these tailings can be concentrated to 40% carbon with a recovery of 72%. Further test work carried out by specialist rubber testing consultants indicated that this material can be used as a reinforcing filler in partial replacement for carbon black in making rubber. When used in tyre sidewalls (a major use of carbon black) the tyre performance was not materially different from tyres with the reinforcing filler made wholly from carbon black. The Feasibility Study indicates that annual production of this CBS product, following commissioning of the main plant,

will be around 247,000 tonnes. The Feasibility Study did not include the newly developed second CBS product discussed as a potential value enhancement above, which provides very significant upside potential.

Vanadium for electrolyte for the vanadium redox flow battery market

At the existing process plant, the Company has successfully tested the production of high purity V_2O_5 , as well as vanadium trioxide suitable for making battery electrolyte, and the electrolyte itself. The Feasibility Study envisages the sale of V_2O_5 flake, suitable for the steel industry, but it is recognised that as the market for vanadium redox flow batteries ("VRFBs") develops, an increasing proportion of the market will include these other vanadium oxides, or the electrolyte itself. The necessary small changes to the plant can be made either at a later date or during the engineering phase prior to construction.

Currently, high purity vanadium is used for battery electrolyte, chemical, aerospace and military purposes and sells for a premium price. This potential benefit has not been incorporated into the financial model for the Feasibility Study.

Markets

Vanadium

The Company commissioned CRU International Limited ("CRU") to assess the available markets and pricing for standard grade V_2O_5 and to take account of the geography and logistics costs.

CRU advised that a deficit of supply is likely to emerge from 2029 onwards, with use of V_2O_5 in long term energy storage batteries rising rapidly to account for some 76% of annual V_2O_5 demand by 2040. Indeed, CRU foresee a deficit of some 171,000 tonnes of V_2O_5 per annum arising by 2035, which is larger than the entire market in 2024.

Subsequent to the Feasibility Study, CRU have forecast that the market deficit might arise earlier than previously expected, with a deficit arising as early as the end of 2026. This updated forecast has not been reflected in the Feasibility Study results.

Bearing in mind logistics for different locations of customers, CRU forecast net-back prices at factory gate for the Company of:

Year	Net-back Per lb V_2O_5 US\$ 2025 real
2028	8.02
2029	8.67
2030	9.05
2031	9.43
2032	9.81
2033	10.19
2034	10.60
2035	10.60
2036	10.60
2037 onwards	10.59

CBS

Global market consultants, Smithers Information Limited ("Smithers") advised that, based on the results of technical tests on rubber made from CBS, and by comparison with other reinforcing fillers on the market, the material can be sold for US\$500 per tonne in the tyre market and up to US\$600 per tonne in the non-tyre market. The Company has utilised a price assumption of US\$500 per tonne in the Feasibility Study. Achievement of the higher US\$600 per tonne pricing would further increase the Project's forecast EBITDA by US\$24.7m per annum, solely from the Company's 247,000 tonnes of initial CBS production. Further value may be derived from the saving to customers of emissions tariffs owing to the much lower CO_2 embedded emissions of CBS compared with carbon black.

Environment

Vanadium

When vanadium is used as an alloy, the additional strength and performance of the resulting steel significantly reduces the quantities of steel required. Steel production accounts, very broadly, for around 10% of world CO_2 emissions, so increasing use of high quality vanadium containing steels can play a significant role in minimising this source of global warming.

VRFBs are the leading technology for large scale, long duration, energy storage batteries which are increasingly needed as the use of intermittent renewable energy sources makes up an increasing proportion of energy generation. The increase in demand for vanadium for this purpose is expected by CRU to lead to a shortage of vanadium, starting in 2029. Balasausqandiq is, therefore, essential to the world's move to renewable energy and the mitigation of global warming.

Feasibility Study continued

CBS

Production of carbon black from current industrial manufacturers is a highly polluting process, involving the combustion of heavy hydrocarbons in an oxygen depleted atmosphere, resulting in CO₂ emissions of between 2 to 3 tonnes per tonne of product, as well as other harmful polluting off-gases. However, the Company's CBS products would be produced from the wastes from mining and processing of vanadium ores, resulting in no additional emissions being generated. Subsequent milling, drying, bagging and transport are expected to amount to less than 0.25 tonnes of CO₂ emissions per tonne of CBS product. The net benefit of the Company's CBS product versus conventional carbon black products, would thus provide a forecast reduction in emissions of approximately 90%.

Compliance with global standards

The Company's environmental consultants have undertaken numerous baseline studies and other reviews taking into account the requirements of the various environmental, social and governance ("ESG") based standards including the Equator Principles and the IFC's Performance Standards. No issues have been identified that would prevent the Project from progressing.

Feasibility Study service providers

The Feasibility Study service providers were SRK holding overall responsibility for the Feasibility Study, Tetra Tech for metallurgy and process plant design, SGS for laboratory test work, CRU providing V₂O₅ price forecasting and vanadium market insight and Smithers who carried out the technical and marketing reports on the CBS.

Future phases

Phase 1 is based only on OB1, the first ore-body out of seven within the Group's licence area for which there is geological evidence. Of the remaining six ore-bodies, OB2,3&4 have been explored and full assay and mineral resource estimates will be published in due course. However, preliminary analysis, based on semi-quantitative x-ray fluorescence of OB2,3&4, indicates that there will be ample resource to consider an additional Phase 2 operation at a scale of around three times larger than Phase 1 with a similarly long mine life. No study has yet been made but the ore is known to be very similar and mining and metallurgical processes are also expected to be similar allowing further upside. The remaining ore-bodies have not been explored but will remain for further future development.

Operational Review

The existing process plant continues to operate primarily an R&D centre but also recycles concentrates to recover vanadium, molybdenum and nickel on an opportunistic basis.

Production

During the year, production of V_2O_5 (mainly as AMV) and molybdenum (in ferro-molybdenum) amounted to 316.8 tonnes (2024: 300.9 tonnes) and 47.7 tonnes (2024: 34.9 tonnes), respectively.

Quarter	Production of Vanadium pentoxide (tonnes)	Growth vs last year	Production of Molybdenum (tonnes)	Growth vs last year
Q1	76.5	-6.3%	17.0	+139.4%
Q2	74.5	-15.0%	10.8	+56.5%
Q3	100.0	+91.2%	13.9	+95.8%
Q4	65.8	-17.1%	5.9	-57.2%
2025 total	316.8	+5.2%	47.6	+36.4%

During the year, the plant also produced a concentrate from the nickel-rich residues produced from the vanadium and molybdenum extraction process. Whilst some sales were made, most of this material has been stockpiled awaiting treatment on site. An internal concept study has been carried out for the installation of an electric arc furnace and associated equipment to treat this material to produce ferro-nickel.

Product prices (mid-market, as published) for V_2O_5 and ferro-molybdenum have broadly remained stable during the year, as shown in the table below.

	Start of 2025	Average for the year	End of 2025	Current (24 April 2026)
Vanadium pentoxide (US\$/lb)	5.37	5.20	5.8	6.11
Ferro-molybdenum (US\$/kg of Mo)	49.8	51.9	52.4	65.1

Research and Development

Vanadium electrolyte

During 2025, the Group successfully developed and tested the technology for the production of vanadium mixed oxides for the purpose of the production of vanadium electrolyte for battery energy storage. The technological process has been defined and sample products have been made. Following this project, the Group is planning to participate in a new Kazakhstan Science Fund project which is aiming to produce a 25 kW VRFB by supplying high purity V_2O_5 or vanadium trioxide for the purpose of producing the vanadium electrolyte. Although the Feasibility Study envisages the production of V_2O_5 flake, suitable for use in the steel industry, this technology is now ready to be incorporated into the development plan for the Balasausqandiq project if offtake for electrolyte purposes is secured.

CBS

The Group is continuing to develop the new form of CBS (low-carbon concentrate) noted above. The results of laboratory testing, in conjunction with a large potential customer, have shown good results, demonstrating already that this CBS can be successfully partially substituted in a standard rubber tyre sidewall mix. The Group has prepared five tonnes of this CBS concentrate for industrial testing by the customer which is now underway. In cooperation with this customer, the Group has commissioned further research aimed at increasing the potential substitution levels even further.

Operational Review continued

Ferro-nickel

The Group has continued to explore means of monetising the nickel-rich residues from the vanadium and molybdenum extraction process. Although some sales of this material have been made, the profitability has been low as a result of high transport costs. Most of the production has, therefore, been stockpiled, amounting now to some 5,000 tonnes of concentrate grading at around 6% nickel content. The treatment of this free resource on site would, therefore, be highly profitable. A treatment process has been prepared and proven on both a laboratory scale and with industrial testing, and an internal concept study has been prepared for the production of ferro-nickel in an electric arc furnace. This is a low-cost project and discussions are ongoing with potential customers to provide prepayment sufficient to cover the cost of construction. The electric arc furnace will be available after the start of the Balasausqandiq project for the production of ferro-vanadium if this is the form of vanadium that offtakers would prefer.

Ferro-tungsten

At the end of 2025 the Group developed and tested a technological process for the production of ferro-tungsten from tungsten concentrate. The technological process was successful and in 2026 the Group is planning to negotiate the sourcing of tungsten concentrates with a view to starting production if sufficiently attractive terms can be agreed.

Roasting process

The Group has been working on a new process to improve the current roasting process at the existing plant. The new technology increases output by around 30% and lowers the consumption of gas. This process was introduced during April 2026 with good results.

Financial Review

Earnings

The Group reported revenues of US\$4.5m for the year compared to US\$4.7m in 2024, reflecting ongoing research and development activities of the Group in addition to the opportunistic processing of concentrates when available.

US\$'000	2025	2024
Revenue from shipments recorded at the price at time of dispatch	4,524	4,722
Adjustments to revenue after final price determination and fair value changes	7	16
Total revenue	4,531	4,738

Revenue is recognised at the time of transfer of control of the Group's products to the customer but, as is common in the industry, the final pricing determination may be based on assay and prices after arrival of the goods at the final port of destination, particularly with respect to the sale of V₂O₅ products. The adjustments to revenue reflect these final pricing determinations which occur after the relevant revenue is initially recognised.

Cost of sales decreased to US\$6.3m from US\$7.6m in 2024, driven by reductions in the costs of raw materials processed, wages and general operating costs at the existing plant. The largest part of the cost of sales is the purchase of raw materials, the price for which is determined as a percentage of the value of the content of vanadium or molybdenum at the market prices prevailing at the time of purchase.

Administrative expenses of US\$3.6m (2024: US\$3.0m) have increased by approximately US\$0.6m during the year mainly as a result of the costs of the equity fundraisings completed during the year and the cost of financial advisers engaged to identify a further strategic investor for the Company.

The Group incurred net finance costs during the year of US\$2.56m (2024: US\$1.98m) almost exclusively comprising of interest payable on the Company's bond financing.

The Group made an overall loss for the year of US\$8.42m (2024: loss of US\$9.43m).

Cashflow

Net cash outflows from operating activities, after changes in working capital, for the year totalled US\$0.9m (2024: US\$4.2m) following adjustments for depreciation, amortisation, share based payment expenses and net finance losses.

Net cash outflows from investing activities totalled US\$3.6m (2024: US\$2.3m) the majority of which was expenditure of US\$3.4m (2024: US\$2.1m) on the Phase 1 feasibility study capitalised as an exploration and evaluation asset (see Note 13).

Net cash inflows from financing activities for the year were US\$2.3m (2024: US\$8.4m), representing the proceeds of four equity issues completed during the year totalling US\$4.4 (2024: nil) net of interest payable to the Company's bondholders of US\$2.12m (2024: US\$1.04m).

The Group held cash of US\$1.68m at 31 December 2025 (2024: US\$3.78m).

Balance sheet review

Total non-current assets increased to US\$14.1m from US\$12.5m principally due to the continued capitalisation of the Group's feasibility study costs incurred during the year as an exploration and evaluation asset (including the transfer of prepayments previously made on account to the lead feasibility study consultants).

Current assets decreased from US\$6.7m to US\$5.2m, driven mainly by a US\$2.1m decrease in cash and cash equivalents held by the Group at the year end offset by an US\$0.54m increase in raw materials held in year end inventories.

Total non-current liabilities decreased by approximately US\$12.1m during the year as a result of the reclassification of the Company's liabilities under the Kazakh bond programme ("the Bond Programme") from non-current to current given the maturity during 2026 of the majority of the tranches of bonds historically issued by the Company.

Current liabilities at the year end were US\$17.0m (2024: US\$2.4m) representing the reclassification noted above.

Financial Review continued

Corporate

During the year the Company completed a number of equity placings that resulted in the issue of 75,907,391 shares and a gross cash benefit to the Company of US\$6,142,125 (comprised of a combination of cash receipts and suppliers / certain directors accepting Company shares in lieu of cash for balances owed).

Key performance indicators

The Group is in a period of development and its current operations, the processing of bought-in secondary vanadium-containing materials for extraction of vanadium and other metals and corresponding R&D, are relatively small in comparison with the main objective of the Group to develop the Balasausqandiq deposit and processing facility. Moreover, the current operations are themselves undergoing a significant change which means that operations are not in a steady state capable of meaningful inter-period comparisons. The board of directors ("the Directors" or "the Board") are, therefore, of the opinion that key performance indicators may be misleading if not considered in the context of the development of the operation as a whole for which the information for shareholders is better given in a descriptive manner than in tabular form.

Sustainability Review

Our approach

The Company aims to maximise value for its investors and all stakeholders from the responsible, efficient, and low-cost production of vanadium and other commodities from the Balasausqandiq deposit. We seek to re-use or recycle wherever possible and to minimise the environmental and social impacts of our operations whilst ensuring the health and wellbeing of the Group's workforce.

Balasausqandiq is a unique vanadium deposit which also contains valuable components of carbon, uranium and molybdenum. Vanadium and the other products to be recovered from the Balasausqandiq ore will play an important role in the world's transition to clean energy and a more sustainable future.

Development of appropriate frameworks

We have sought to minimise our environmental impacts whilst ensuring that all employees can work safely, avoiding accidents and reducing the risk of long-term health hazards. We aim to comply with all applicable laws, report accurately where required, and implement appropriate governance standards.

As the Group grows to become a producer of critical commodities, it will develop a comprehensive approach to address environmental, social, health and safety issues within an appropriate governance framework. Such an approach will recognise the requirements of all key stakeholders, including local communities, governments, employees, and investors as well as customers.

To this end, the Company has appointed independent consultants to undertake an analysis of our existing principles, controls, procedures, and performance metrics by comparison to the standards they believe are reasonably applicable to the Company and its lenders and investors, in particular, the Equator Principles and the IFC Performance Standards. Following their initial report, their conclusions and recommendations have been included within the Feasibility Study.

Minimising impacts from production

We believe that any adverse environmental impact of the future operations at Balasausqandiq will likely be significantly below those of our peer group. We believe this can be a source of competitive differentiation for the Company amongst customers who are increasingly reviewing supply chain ESG performance when sourcing vital materials.

Most of the world's vanadium is made from titanovanadiferous magnetite ("TVM"). The primary production of vanadium from TVM ore requires pre-concentration and then roasting at approximately 1,100 degrees C to convert the vanadium into a soluble form to enable recovery. Roasting alone accounts for over 40% of the energy used by one major primary producer using TVM ore. At Balasausqandiq, the ore is different, and the proposed process does not require pre-concentration or roasting, significantly reducing CO₂ emissions.

The proposed production process at Balasausqandiq involves leaching in sulphuric acid which we expect to make by processing the sulphur that is currently removed as an impurity from oil and gas production in Kazakhstan. The process, which produces no CO₂, is exothermic and requires no significant energy input. The waste heat produced will be used to make steam for the hydrometallurgical process, further reducing energy requirements and CO₂ emissions.

The production of carbon from the Balasausqandiq ore for use as carbon black in making rubber is also much more energy efficient than competitive processes. Carbon black is usually made by the incomplete combustion of hydrocarbons, where only some 40% of the original hydrocarbon input is recovered. The carbon from Balasausqandiq is naturally occurring and avoids this combustion of hydrocarbons and the associated emissions of CO₂.

Social

The Group's operations utilise land which is unsuitable for agricultural use and the nearest human habitation is 16 kilometres away in the village of Aksumbe. Save for some unbounded grazing, there are no competing land uses or requirement to re-locate communities as we develop operations. The social impact of the operations will, therefore, be limited. The limited requirement for additional infrastructure further reduces the impact on the local population.

Sustainability Review continued

Economic impact on the local community

Nearly all the Group's employees are Kazakhstan nationals, and, with the exception of specialists, most are hired from the local villages and the nearby town of Shieli. The Group currently employs an operating and management team of over 200 employees. As the Group grows, it will enhance and develop its employment policies and procedures.

The Group pays salary taxes for employees including income tax, social security tax and pension contributions, VAT on purchases and, in due course, will pay corporation tax and withholding taxes. In addition, under the terms of the Subsoil Use Agreement for the Balasausqandiq deposit, the operating company is required, during the period of mining and based on the subsoil activity, to pay:

- 1% of annual investment on education in Kazakhstan;
- 1.5% of annual investment on local development and infrastructure; and
- 1% of annual profits on research and development.

In addition, the Group has signed an agreement with the Satbayev University where selected post graduate students will be given technical work experience opportunities with respect to the Group's operations.

Mine closure

The Company has prepared an environmental study in full compliance with the laws of Kazakhstan and also aims to meet international standards. As part of this study, a mine closure plan has been prepared and the Company is required to contribute 1% of annual mining costs to a mine closure fund to ensure that funds are available when the time comes. The Company will aim to back-fill the open pit with waste rock from mining and contour surplus waste as mining progresses.

Water

Water is almost fully recycled and no discharges are made from the site. In 2025 water consumption was 17,807 m³ (2024: 21,519 m³).

A hydrogeological study has been carried out to assess the availability and sufficiency of water for processing and human needs. Water is currently drawn using natural pressure from a borehole. Currently, no water is discharged from operations, although there are losses from evaporation. The Group already recycles as much water as possible and plans to do the same for the Balasausqandiq project. Water for the main project will be drawn from a bore-hole some 20 km from the operating site and transported along a pipeline. The Balasausqandiq project process has been designed to operate on a low liquid: solid ratio to minimise water usage and associated reagent use.

Performance indicators

Health and safety

During the year, the Group had no reported health and safety incidents that led to time lost, staff requiring medical treatment or hospitalisation and no fatalities (2024: nil).

Energy and emissions

The table below discloses the Group's greenhouse gas emissions for 2025, including both emissions resulting from activities for which the Group is responsible e.g. the combustion of fuel (Scope 1 emissions) and emissions resulting from the purchase of electricity, heat or steam cooling by the Group for its own use (Scope 2 emissions).

All of the Group's emissions have been generated outside the United Kingdom and offshore area.

Scope 1 (energy generated on site)

	2025		2024	
	KwH	CO ₂ e (tonnes)	KwH	CO ₂ e (tonnes)
Process plant				
Coal for heating/steam	1,404,375	476	3,078,125	1,044
Diesel for roasting	36,960	10	239,121	64
Liquid gas for roasting	8,970,000	2,039	9,155,951	1,789
Other				
Coal for heating	517,500	176	1,197,500	406
Diesel (vehicles)	152,292	40	233,308	20
Petrol (vehicles)	378,599	94	419,959	105
Total scope 1	11,459,726	2,835	14,323,964	3,428

Scope 2 (purchased electricity)

	2025		2024	
	KwH	CO ₂ e (tonnes)	KwH	CO ₂ e (tonnes)
Process plant				
Whole plant	2,898,368	1,739	3,083,166	*-
Total scope 2	2,898,368	1,739	3,083,166	-
Total scope 1 and scope 2	14,358,094	4,574	17,407,130	**3,428

* this information was not available in 2024

** includes Scope 1 only (2024)

Sustainability Review continued

Energy consumption

The Group has consumed 14,358,094 kWh (2024: 17,407,130 kWh) of energy during the year.

All of the Group's energy consumption has taken place outside the United Kingdom and offshore area.

Intensity ratio

The Group will determine a suitable intensity ratio once all relevant data is available.

Energy efficiency

The key energy efficiency adopted by the Group during the year has been to continue to include energy saving initiatives within the Group's processing plant future development planning.

Methodology

The Group has adopted the standard methodology issued by the Kazakhstan Ministry of Ecology.

In disclosing the Group's emissions output and energy consumption during the year, the Company has done so on an equity share approach. Accordingly, given that all of the Company's subsidiary undertakings are wholly owned by the Company, the activities of the entire group are included within the disclosures made.

Climate Change Disclosures

As a responsible corporate entity operating in the natural resources sector, the Company is committed to the recognition and disclosure of the potential impacts of climate change on the Company's and Group's business activities.

The Company supports the initiatives and recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") and has taken steps to develop climate-related financial disclosures that it considers are consistent and appropriate with both the recommended disclosures of the TCFD and the current position of the Company. The Company will review future climate change disclosures in light of relevant IFRS issued standards.

The TCFD recommended disclosure framework comprises four broad categories of disclosure (pillars); governance, strategy, risk management and metrics and targets. Within each category of recommended disclosure, the TCFD has identified further specific disclosures that the Company should report on. The Company has reported on this basis below.

The Company has considered the appropriate level of detail to be included within the various disclosures having regard to the nature and size of the Company's current operations and the planned future operations following the construction of the mine processing facilities at the Balasausqandiq deposit.

The conclusion is that the majority of the specific disclosures sought by the TCFD recommendations in the context of the current operation, the purchase and treatment of vanadium-containing concentrates and research and development activities, are unlikely to be either useful or meaningful to the reader of these financial statements but that the disclosures will have far more relevance and applicability following the commissioning of the main Balasausqandiq mine processing facilities.

Accordingly, the disclosures noted below are provided generally in the context of the operation of the bought-in concentrate processing plant in addition to research and development activities and will be expanded to cover the future operations upon construction of the Company's planned mine and associated processing facilities.

The disclosures made below are consistent with the TCFD recommendations and recommended disclosures.

Governance

1. Oversight of climate-related risks and opportunities

The Board is ultimately responsible for the oversight of the risks and opportunities that are presented by the potential effects of climate change on the Company's business activities. The Company's executive directors maintain day-to-day responsibility for the recognition and effect of climate change on the Company's operations.

In advance of the start of mining operations, the Company has constituted a sustainability committee, comprising the chairman, the chief executive officer and a non-executive director, that will guide and support the actions of the Board with respect to climate-related matters.

2. Assessment and management of climate-related risks

The Board in conjunction with the sustainability committee will consider and set appropriate Company policies that will govern how the Company's management will assess and manage climate-related risks and opportunities in advance of the commissioning of the mine.

The Company's executive directors and Group managers will be responsible for the implementation and monitoring of the policies set.

The management of the current operation is responsible for assessing and managing climate-related risks and opportunities at the existing plant.

Risk Management

3. Identification and assessment of climate-related risks

With respect to the existing operation, the identification and assessment of climate-related risks and opportunities is carried out by management on an ad-hoc basis.

Once the environmental and social impact assessment ("ESIA") with respect to the Feasibility Study is completed, that document will identify and assess the climate-related risks of the main mining project and how those risks can be managed and mitigated.

Climate Change Disclosures continued

4. Processes adopted for managing climate-related risks

With respect to the bought-in concentrate processing plant, no specific climate change risks have been identified. The availability of concentrates is expected to increase in the coming years as international regulations prohibiting the burning of low-grade fossil fuels are implemented, requiring more use of vanadium-containing catalysts for the refining of oil that comprise the largest part of the Group's existing plant feed-stock. If a climate-related risk is identified and assessed as likely to have an impact on the operations of the plant, the plant's management will implement measures to manage the impact.

In conjunction with the ESIA, an environmental and social management system ("ESMS") will be designed and developed and adopted in full once the Balasausqandiq mine has been commissioned. The ESMS will identify the relevant processes for the management of climate-related risks arising from the operation of the mine.

5. Integration of climate-related risk management into the organisation's overall risk management

The ESIA noted above is an integral element of the Balasausqandiq project. Accordingly, the foreseen climate-related risks of the project (and the management / mitigation of same) will be incorporated into the Company's overall risk management by virtue of the adoption of the monitoring systems and controls recommended by the ESIA and ESMS.

Strategy

6. Climate-related risks and opportunities

Opportunities

1. Vanadium

The main climate-related opportunity presented to the Company is the predicted expansion of the global vanadium market as a result of the transition to a lower-carbon world economy.

The demand for vanadium is expected to be driven by two factors – growth of long-term energy storage solutions that use vanadium as a key component and an increased use of vanadium in steel making, a high carbon dioxide emitting industry, where vanadium as an alloy material can improve the strength of steel and consequently reduce the quantity of steel needed.

2. Carbon

A secondary climate-related opportunity for the Company is the carbon material found within the ore of the Balasausqandiq deposit.

The Company's expectation is that the carbon within the ore, once extracted, will be capable of substituting for certain grades of carbon black used within industries such as car tyre manufacturing.

Carbon black is usually produced by the incomplete combustion of hydrocarbons in specific atmospheric conditions and typically generates significant levels of carbon dioxide during production. The carbon in the Company's ore can be recovered with relatively low-level emissions which are mostly necessary for the extraction of the principal vanadium product. Car tyre manufacturers will, therefore, be able to cut their supplier-related emissions by the use of this product.

Risks

The climate-related risks of the project will be identified and evaluated by the Company's ESIA in due course. No significant climate-change risks to the current operation have been identified.

7. Impact of climate-related risks and opportunities on business, strategy and financial planning

Climate-related risks and opportunities do not materially impact on the business, strategy and financial planning for the existing plant given the relatively small size of the operation.

The impact on the Balasausqandiq deposit mining operations will be considered by the Company's ESIA.

8. Resilience of the organisation's strategy with respect to climate-related scenarios

With respect to the bought-in concentrate processing plant and R&D centre, the plant's management have not identified any particular climate-related scenarios that would likely have a significant impact on its ongoing operations. The plant already operates in an environment that is subject to extreme weather conditions and is, therefore, considered to have a strong resilience to existing and future climate-related scenarios.

The resilience to climate-related scenarios for the Balasausqandiq mining operations will be identified and evaluated during the construction and commissioning of the mine.

Metrics and Targets

9. Climate related risk / opportunity metrics

Given the small-scale nature of the bought-in concentrate processing plant and R&D centre, the Company will develop metrics to assess climate-related risks and opportunities in line with its strategy and risk management processes once the Balasausqandiq mining operation has been commissioned.

10. Energy and emissions

Relevant emissions statistics are disclosed within the Sustainability Review on page 11.

11. Climate-related risk / opportunity performance targets

Given the small-scale nature of the bought-in concentrate processing plant and R&D centre, the Company will develop performance targets to manage climate-related risks and opportunities in line with its strategy and risk management processes once the Balasausqandiq mining operation has been commissioned.

Climate Change Disclosures continued

Alignment Status

The following table provides a summary of the Group's current alignment with the TCFD recommendations:

TCFD pillar	Recommended disclosure	Current status	Alignment
Governance	Oversight of climate-related risks and opportunities	Oversight provided by the board of directors. Sustainability committee formed.	Comply
	Assessment and management of climate-related risks	Current operations: climate-related risks assessed and managed by incumbent management team. Main mine climate-related risks to be determined by the board of directors following mine commissioning.	Partial
Risk management	Identification and assessment of climate-related risks	Identification and assessment of climate-related risks for current operations completed by incumbent management. Identification and assessment of climate-related risks for the main mine to be captured by the ESIA.	Partial
	Processes adopted for managing climate-related risks	On an ad-hoc basis by the incumbent management team with respect to current operations. ESMS being developed for the main mine for adoption on commissioning of the main mine.	Partial
	Integration of climate-related risk management into the organisation's overall risk management	Integration to occur following the adoption of the ESIA and ESMS.	Planned
Strategy	Climate-related risks and opportunities	Identified and considered above.	Comply
	Impact of climate-related risks and opportunities on business, strategy and financial planning	No material impact on current operations. Impact on the main mine to be considered by the ESIA.	Partial
	Resilience of the organisation's strategy with respect to climate-related scenarios	No climate-related scenarios identified with respect to current operations. Resilience of the strategy with respect to climate-related scenarios for the main mine will be tested following construction and commissioning.	Partial
Metrics and targets	Climate related risk / opportunity metrics	To be adopted following the commissioning of the main mine.	Planned
	Energy and emissions	Disclosure with respect to current operations completed.	Comply
	Climate-related risk / opportunity performance targets	To be adopted following the commissioning of the main mine.	Planned

Principal Risks and Uncertainties

Description of principal risks, uncertainties and how they are managed

(a) Balasausqandiq project:

The Project is primarily dependent on long-term vanadium prices.

The Project is also dependent on raising finance to meet projected capital costs (see below) and the successful construction and commissioning of the Project's proposed mine processing facilities. It is not unusual for new mining projects to experience unforeseen problems, incur unexpected costs and be exposed to delays during construction, commissioning, and initial production, all of which could have a material adverse effect on the Company's operations and financial position. The Company has taken steps to mitigate such potential adverse effects by engaging globally recognised engineers and consultants to assist with the development and design of the key elements of the Project in addition to the Group's own highly qualified workforce.

(b) Geopolitical situation:

While the ongoing invasion of Ukraine by Russia is not directly impacting the Group, the Directors remain vigilant of the situation. The continued main risk of the conflict is to the Group's transport routes, many of which involve transit through Russia. Whilst these are currently operating without issue, sanctions have been made against Russian and Belarusian vehicles transiting through Europe (but not against vehicles registered in other jurisdictions in the region such as Kazakhstan). There is a risk that further sanctions might prevent transit through Russia into Latvia, through which the majority of the Company's exports flow. The Company continues to review alternative transit routes for raw material imports and product exports through the West of Kazakhstan, either via the Caspian Sea or overland south of the Caspian Sea. Routes to China are working normally.

With respect to the global sanctions imposed on certain Russian entities and individuals, the Group monitors the implications of those sanctions on the Group's trading activities on an ongoing basis.

The Company has not yet identified any risks applicable to the Group due to the ongoing conflict in the Middle East but will continue to monitor the situation.

(c) Financing risk:

The Balasausqandiq project will require substantial funds to be raised in debt and equity which will be dependent upon market conditions at the time.

In March 2021 the Company signed an investment agreement with Vision Blue Resources Ltd ("Vision Blue"). Under the terms of this agreement and in addition to Vision Blue's participation in various secondary equity fundraises completed by the Company, investments totalling US\$16m have been made by Vision Blue. Vision Blue holds options to subscribe up to US\$30m at pre-agreed prices to partially finance the construction of the project.

The favourable financial and other characteristics of the Feasibility Study give the Directors confidence that the outcome of project will be successful.

(d) Climate change risk:

Refer to the Sustainability Review on page 11 and the Climate Change Disclosures on page 15.

(e) Risks associated with the developing nature of the Kazakh economy:

According to the World Bank, Kazakhstan has transitioned from lower-middle-income to upper-middle-income status in less than two decades. Kazakhstan's regulatory environment has similarly developed and the Company believes that the period of rapid change and high risk is coming to an end. Nevertheless, the economic and social regulatory environment continues to develop and there remain some areas where regulatory risk is greater than in developed economies. The Company mitigates this risk by monitoring developments in these regulatory environments on a regular basis and taking relevant actions where required.

(f) Commodity price risk:

As already noted above, the success of the Company is dependent upon the long-term prices of the products to be produced by the planned mine processing facilities. As a result of there being no formally established trading markets for the Company's principal products from the Project, there is a risk that price fluctuations and volatility for these products may have an adverse impact on the Company's future financial performance. The Company will mitigate this risk by regularly reviewing third party commodity pricing forecasts and considering hedging opportunities, as appropriate.

Principal Risks and Uncertainties continued

(g) Key personnel risk:

The Group is dependent upon its executive management team. Whilst it has entered into contractual agreements at market rates with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. The development and success of the Group depends on its ability to recruit and retain high quality and experienced staff. The loss of the service of key personnel or the inability to attract additional qualified personnel as the Group grows could have an adverse effect on future financial performance. The Company mitigates this risk by regularly reviewing and revising, where necessary, executive management remuneration and incentivisation packages against market rates and by maintaining an open dialogue on key personnel matters.

(h) Foreign currency risk:

Fluctuations in currency exchange rates, principally between the US Dollar and Kazakhstan Tenge could adversely impact the Group's future earnings and cash flows. The Company mitigates this risk by maintaining appropriate internal foreign exchange rate policies.

Governance Statement

General

As a result of the ordinary shares of the Company being classified on the Official List of the London Stock Exchange as Equity Shares (Transition), the requirements of the UK Corporate Governance Code, published by the Financial Reporting Council, do not apply to the Company. The Guernsey Finance Sector Code of Corporate Governance does not apply to the Company since the Company is not regulated by the Guernsey Financial Services Commission. However, the Board recognises the importance of good corporate governance and has implemented recognised corporate governance practices as far as is considered appropriate by the Board whilst considering the size and nature of the business.

The Board is responsible for the overall corporate governance of the consolidated Group, guiding and monitoring the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

Composition of the Board

Having regard to the Company's stage of development, the Directors believe that the size of the current board comprising seven directors, three of whom are executive and four are non-executive, is appropriate. The Directors intend that there will always be at least as many non-executive directors as there are executive directors.

Board committees

Audit

The Company has created an audit committee that is responsible for considering all financial reporting matters and ensuring that they are properly reported and monitored. It is also responsible for the review and assessment of the independence of the external auditors and approval of any non-audit services, review of the external audit strategy and findings, assessment of whether an internal audit function is necessary considering the activities and size of the business and oversight of significant financial reporting matters. The committee is chaired by James Turian and Christopher Thomas is a member. Mr Turian has a background in accounting, trust and management and is a director of a firm of accountants in Guernsey which the Board considers to be recent and relevant experience to carry out his responsibilities as chairman.

Remuneration

The Company has also created a remuneration committee to consider all matters related to salary and benefits of senior staff and executive directors. The remuneration of non-executive directors is a matter for the Board as a whole. No director will take part in discussions concerning his own remuneration package. Mr Thomas is the chairman of the committee and Mr Turian is a member.

Nomination

The Directors are of the opinion that due to the nature and size of the Company and its current Board, the functions often carried out by a nomination committee can be more successfully conducted by the full board of directors and so no such committee has been created.

Sustainability

The Company has constituted a sustainability committee comprising the chairman, the chief executive officer and a non-executive director that will guide and support the actions of the Board with respect to sustainability related matters, particularly once construction of the mine has commenced.

Code of conduct

The goal of establishing the Company as a significant mining and processing company is underpinned by its core values of honesty, integrity, common sense and respect for people. The Company desires to be a good corporate citizen in all the jurisdictions within which it operates, and to appropriately balance, protect and preserve all stakeholders' interests. In particular, the Company gives paramount concern to the safety of its employees and the maintenance of high environmental standards.

Shareholder communication

The Board aims to ensure that shareholders and investors have equal access to Company information.

The Company aims to promote effective communication with shareholders and encourage effective participation at general meetings through a policy of open disclosure to shareholders, regulatory authorities and the broader community of all material information with respect to the Company's affairs.

Governance Statement continued

Internal control and risk management systems

The Company's accounting and finance team is relatively small and subject to close control by the executive directors. For this reason, the audit committee and the Board are of the opinion that it is not yet appropriate for there to be a separate internal control department or internal audit function but has implemented various procedures and internal controls to provide assurance to the Directors that accounting and financial risks are adequately controlled.

These include:

- The preparation and regular updating of cash flow forecasts, changes to which are closely monitored by the executive directors who discuss necessary changes on an almost daily basis;
- Significant contracts require approval by the Directors and approval must follow a specified approval processes; and
- All Group payments must be authorised by a director and payments by the Company require two directors' signatures on all payments over US\$10,000.

Board of Directors



Sir Mick Davis
Non-executive Chairman

Sir Mick Davis holds a number of directorships at private companies and is a highly successful mining executive accredited with building Xstrata plc into one of the largest mining companies in the world prior to its acquisition by Glencore plc. Before listing Xstrata on the LSE as CEO he was CFO of Billiton plc and Chairman of Billiton Coal which he joined from the position of Eskom CFO.

During his career in mining he has raised almost US\$40bn from global capital markets and successfully completed over US\$120bn of corporate transactions, including the creation of the Ingwe Coal Corporation in South Africa; the listing of Billiton on the LSE; the merger of BHP and Billiton; as well as numerous transactions at Xstrata culminating in the sale to Glencore plc.

Sir Mick Davis is a Chartered Accountant by profession, and holds an honours degree in Commerce from Rhodes University, South Africa and an Honorary Doctorate from Bar Ilan University, Israel.



Nicholas Bridgen
Chief Executive Officer

Nick started his career in 1975 as a Chartered Accountant at Peat Marwick Mitchell & Co (now KPMG). In 1979, he moved to the Rio Tinto Group, becoming senior group accountant in 1981. He then moved to the Business Evaluation Department for the Group in 1985 and was Group Planning Manager for the RTZ Pillar Group which held the engineering, building products and chemical companies. Nick spent 14 years with Rio Tinto. In the mid-1990s, he was finance director at Bakyrchik Gold plc and in 1998, he founded Hambleton Mining plc which acquired the Sekisovskoye gold project, listing the company on AIM and taking the project from exploration, through construction and into a producing mine.

Since 2006, Nick has been a director and more recently, CEO, of Ferro-Alloy Resources Limited. In the role of CEO, Nick is ultimately responsible for all aspects of the Ferro-Alloy Resources Group. He holds a Bachelor's degree with honours from Exeter University, is a Chartered Accountant and has also studied corporate finance at the London Business School. He speaks Russian.



Andrey Kuznetsov
Director of Operations

Andrey started his career in 1981 as an industrial engineer at Kirov Engineering Plant in Almaty. After three years he became Chief of the Scientific Department in the Central Committee of Youth (Comsomol). In 1987, Andrey became general director of the Almaty NTTM "Kontakt" centre. In 1995-1996, he was the CEO of the Kazakhstan subsidiary of Alfa-Bank. Andrey has been the general director of Firma Balasa LLC since 2006. He holds a Specialist's degree in electrical engineering from Bauman Moscow State Technical University and a PhD in informal mathematical logic. He has also studied management at Coventry University.

As Director of Operations Andrey is responsible for the management of operations in Kazakhstan and execution of the Company strategy and policies approved by the Board.



William Callewaert
Chief Financial Officer

William graduated in 2002 from the University of Durham with an honours degree in Law after which he trained as a Chartered Accountant in audit services with leading tax, accounting and business advisory firm, Blick Rothenberg. Having qualified in 2006, William's career progressed within advisory services at Grant Thornton, KPMG and BDO in both the UK and offshore.

William is responsible for the overall management of the Group's finances, future funding requirements and general statutory compliance. William is a fellow of the Institute of Chartered Accountants in England and Wales.

Board of Directors continued



Christopher Thomas
Non-executive Director
(Chairman of the remuneration committee and member of the audit committee)

Chris has nearly 35 years' experience in the communications industry. He has held various high-level management positions including CEO of Proximity London from 2003 to 2006 - one of the largest direct and digital agencies in London. In 2006, Chris was appointed Chairman & CEO of BBDO and Proximity in Asia, subsequently adding the Middle East and Africa to his responsibilities. He worked with major multinational companies across the growth markets of SE Asia, China, India and Africa. In May 2015, Chris moved to New York to take up the role of CEO of BBDO in the Americas, with responsibility for 21 agencies in the U.S., Canada and Latin America. In February 2019 he stepped down from his Americas role to concentrate on his entrepreneurial interests. He also served as a non-executive director on the board of Hambleton Mining from 2004 to 2011.

Chris is the chairman of the remuneration committee which considers and approves the remuneration of all senior executives including that of the executive directors. He is also a member of the Company's audit committee.



Petrus Nienaber
Non-executive Director

Peet has several decades of experience in the mining sector, most notably spending over 24 years with what became Xstrata plc. At Xstrata he was initially Head of Operations, spearheading the earliest days of the company, including its growth to be the largest producer of ferrochrome. Thereafter he spent 10 years as CEO of Xstrata Alloys, one of the largest producers of ferrochrome and a leading producer of vanadium, with some 20,000 people under Peet's leadership. After retiring from the position in 2012, Xstrata Alloys subsequently went on to be acquired by Glencore plc.

Peet began his career as an engineer at Iscor Ltd before spending several years in the ferroalloys industry at Samancor and Anglo American plc.



James Turian
Non-executive Director
(Chairman of the audit committee and member of the remuneration committee)

James started his career in 1986 and has a background in accounting, trust and management. James has previously been involved with several mining companies in Perth, Australia, including assisting Cooper Energy in their restructuring in the early 2000s. From 2000 to 2011 James owned and operated a trust company in Guernsey which he sold to concentrate on accountancy and currently is a director of "Accounts For You Limited", a Guernsey accountancy firm. He holds several other directorships. James is a Chartered Fellow of the Securities Institute IAQ and is a Fellow of the Institute of Directors.

James is the chairman of the audit committee where he is responsible for chairing the audit committee meetings.

Senior Management Team



Andrey Kuznetsov
Deputy Director of Operations

Having graduated from the Saint-Petersburg State University with a Masters in Mathematics and Bachelor in Economics Andrey started his career as a management consultant with boutique consultancy firm, Strategica. Andrey then joined Danish company Dinex, in Russia, as a finance director for two years before moving to Denmark to complete an MBA at the Copenhagen Business School.

Post MBA, Andrey joined Danish company ECCO where he spent almost 8 years in various roles across Denmark, Netherlands and Russia. Andrey's final role at ECCO was General Manager East, where he was responsible for ECCO distribution markets in Russia, Ukraine, Georgia, Moldova and Bulgaria.

Andrey joined the Group in 2019 as the finance director of the Company's Kazakhstan subsidiary, Firma Balausa LLC. In 2022, Andrey was appointed deputy general director of Firma Balausa LLC to support the general director with operations and the Feasibility Study.

Directors' Report

The Directors present their report and the audited consolidated financial statements for the year ended 31 December 2025.

General

Ferro-Alloy Resources Limited ("the Company") is registered in Guernsey as a non-cellular limited company.

The Company's registered office is Maison Allaire, Smith Street, St Peter Port, Guernsey, Channel Islands and the principal place of business of the Group is Kazakhstan.

Principal activity

The Company is the holding company of a group of wholly owned companies which carries on a mining and mineral processing business with operations located at the Balasausqandiq vanadium/polymetallic mineral deposit in the Kyzylordinskaya Oblast in southern Kazakhstan.

Review of business

A review of the business during the year is included within the Operational Review at page 7.

The Group's business and operations and the results thereof are reflected in the attached financial statements.

The principal risks and uncertainties facing the Company are summarised at page 19.

Results and dividend

During the 12 months ended 31 December 2025, the Company reported a loss of US\$8.4m (2024: loss of US\$9.4m).

No dividends have been declared or paid in respect of the years ending 2025 or 2024.

Share capital and funding

The ordinary shares of the Company were listed on the standard segment of the main market of the London Stock Exchange on 28 March 2019 and, on a fully fungible basis, on the Astana International Stock Exchange on 6 January 2020.

Full details of the Company's share capital, together with details of the movements in the Company's issued share capital during the year, are set out in Note 20 to the consolidated financial statements on page 55.

Directors

The Board is comprised of three executive directors and four non-executive directors.

Current directors

The directors of the Company who held office during the year and to the date of this report are as follows:

Sir Mick Davis
 Nicholas Bridgen
 Andrey Kuznetsov
 William Callewaert
 Christopher Thomas
 Petrus Nienaber
 James Turian

The biographical details of those directors that served during the year are set out at pages 23 to 24.

Election and re-election of directors

In accordance with the Company's Articles of Incorporation, any director who has been appointed by the Board since the date of the previous annual general meeting or who has not previously retired at the two preceding annual general meetings shall stand for election or re-election at the next general meeting. However, for the purposes of good corporate governance, all directors put themselves forward for re-election at each annual general meeting.

At the Company's annual general meeting held on 14 November 2025, all appointed directors were re-elected to their respective roles.

Attendance at scheduled Company board meetings

	Scheduled (5)
Sir Mick Davis	5
Nicholas Bridgen	5
Andrey Kuznetsov	5
William Callewaert	5
Christopher Thomas	5
Petrus Nienaber	5
James Turian	5

Remuneration

	Salary/ fees (\$'000)		Benefits (\$'000)		Pension (\$'000)		Bonus/other (\$'000)		Total (\$'000)	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Sir Mick Davis	-	-	-	-	-	-	-	-	-	-
Nicholas Bridgen	271	273	47	62	-	-	-	-	318	335
Andrey Kuznetsov	211	197	-	-	-	-	-	-	211	197
William Callewaert	239	273	4	7	-	-	-	-	243	280
Christopher Thomas	48	148	-	-	-	-	-	-	48	48
Petrus Nienaber	48	148	-	-	-	-	-	-	48	48
James Turian	48	148	-	-	-	-	-	-	48	48
Total	865	887	51	69	-	-	-	-	916	956

¹ Remuneration paid to each of these directors was by way of Company shares.

Director's interests in the issued share capital of the Company

The interests of the Directors in the Company's issued share capital at 31 December 2025 and at the date of the signing of this report are as follows:

	29 Apr 2026 Number of Ordinary Shares	29 Apr 2026 % of Share Capital	31 Dec 2025 Number of Ordinary Shares	31 Dec 2025 % of Share Capital	31 Dec 2024 Number of Ordinary Shares	31 Dec 2024 % of Share Capital
Sir Mick Davis	1 ¹	-	1 ¹	-	1 ¹	-
Nicholas Bridgen	62,847,740	10.69	62,847,740	11.24	59,472,133	12.31
Andrey Kuznetsov	71,101,823	12.10	71,101,823	12.72	68,517,333	14.18
Christopher Thomas	² 8,119,610	1.38	² 8,119,610	1.45	² 6,456,845	1.34
James Turian	1,662,765	0.28	1,662,765	0.30	500,000	0.10
Petrus Nienaber	1,193,162	0.20	1,193,162	0.21	-	-

¹ Sir Mick Davis is the Chairman of Vision Blue Resources Limited and the beneficiary of a Trust that is a shareholder in Vision Blue Resources Limited and, therefore, he indirectly has an interest in that company's investment in Ferro-Alloy Resources Limited arising from the investment agreement in place between the two entities.

² including shares of Assiduous Group Limited which holds 7,574,898 (2024: 5,912,133) ordinary shares. Assiduous Group Limited is an investment vehicle in which Christopher Thomas is the sole shareholder and director.

Substantial Shareholdings

A list of shareholders who beneficially hold more than 5% of the Company's shares at 31 December 2025 is as follows:

Name of shareholder	Number of Ordinary Shares	Percentage of voting rights
Vision Blue Resources Limited	125,805,974	22.50%
Andrey Kuznetsov	71,101,823	12.72%
Nicholas Bridgen	62,847,740	11.24%

Directors' Indemnity Insurance

During the year, Director's and Officer's liability insurance was maintained for the Directors and other officers of the Group.

Political Donations

The Group did not make any political donations during the year.

Directors' Report continued

Electronic Communications

The Directors are responsible for ensuring that the Company's annual report and financial statements are made available on a website. Financial statements are published on the Company's website (www.ferro-alloy.com) in accordance with applicable legislation in Guernsey governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Board Diversity

In accordance with UK Listing Rule 22.3.30, the Company has not met the required targets with respect to board diversity given the Company's stage of development and size. The Directors recognise the importance of diversity in both the workplace and at board level and will take steps towards achieving the requirements of UK Listing Rule 22.3.30.

Going Concern

The consolidated financial statements have been prepared in accordance with IFRS on a going concern basis.

The operations of the Group are financed from a combination of cash flows generated by the existing operation, bond issues and funds raised from shareholders and strategic investors. In common with many pre-production entities, the Group will need to raise further funds in order to progress from the feasibility study phase into construction and ultimately into production. The Directors consider the ability of the Company to raise further funding to be a material uncertainty.

With respect to the Bond Programme, a number of the tranches previously issued under the programme will come to maturity during 2026 and the Company will need to either fund these redemptions in cash or by alternative non-cash methods. The Directors consider the ability of the Company to fund the upcoming redemptions required by the Bond Programme to be a material uncertainty. Further information on the tranches issued under the Bond Programme is disclosed at Note 21.

These conditions indicate the existence of a material uncertainty, which may cast doubt over the Group's ability to continue as a going concern, and therefore that it may be unable to realise its assets and discharge its liabilities in

the normal course of business. The financial statements do not include adjustments that would arise in the event of the Group not being able to continue as a going concern.

Following the publication of the Feasibility Study, the Directors are confident based on their previous experience and success in raising capital that the Company will be able to secure further funding to address the material uncertainties noted above and, therefore, the Company will continue as a going concern for at least the next 12 months. Accordingly, the Directors believe that it is appropriate that the Company adopts the going concern basis of accounting in preparation of these financial statements.

Events Occurring After the Reporting Period

On 10 March 2026, the Company issued 28,621,701 shares raising gross proceeds of £1,574,193.55.

Auditor

Crowe U.K. LLP has expressed its willingness to continue in office as auditor and a resolution to re-appoint Crowe U.K. LLP will be proposed at the Company's forthcoming annual general meeting.

Statement as to Disclosure of Information to Auditor

The Directors who were in office at the date of the approval of the consolidated financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the Company's auditor is unaware and that each director has taken all the steps he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board of Directors and signed on its behalf



William Callewaert

Director

29 April 2026

Directors' Responsibility Statement

The Companies (Guernsey) Law, 2008 requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Group for that period and of the profit or loss of the Group for that period. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and applicable law.

In preparing those financial statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

To the best of the Directors' knowledge:

- a) the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union and applicable law, give a true and fair view of the assets, liabilities, financial position and profit or loss of Ferro-Alloy Resources Limited and the undertakings included in the consolidation as a whole; and
- b) the management report includes a fair review of the development and performance of the business and the position of Ferro-Alloy Resources Limited and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board of Directors



William Callewaert

Director

29 April 2026

Independent Auditor's Report

to the members of Ferro-Alloy Resources Limited

Opinion

We have audited the financial statements of Ferro-Alloy Resources Limited and its subsidiaries (the "Group") for the year ended 31 December 2025 which comprise the consolidated statement of profit or loss or other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law 2008.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 1(d) in the financial statements, which indicates that the Group will need to refinance its bonds that mature within twelve months of the date of approval of the financial statements. They will also require further funding to continue exploration and evaluation works on the Balasuasqandiq project, and to fund its overheads during the going concern assessment period.

As stated in note 1(d), these events or conditions, along with the other matters as set forth in note 1(d), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included;

- Assessing the accuracy of forecasting by comparing previous forecasts with actual results;
- Assessing the cash flow requirements of the Group over the duration of the going concern period based on budgets and forecasts;
- Challenging the forecast expenditure that is committed, and that which could be considered discretionary;
- Discussing with management their plans for refinancing the Group's bonds, and assessing the feasibility of this, including consideration of information provided by the Group's legal advisor;
- Considering the liquidity of existing assets in the statement of financial position; and
- Considering the potential downside scenarios and the resultant impact on available funds.

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

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be \$280,000 (2024: \$250,000), based on approximately 1.5% of total assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation

of the specific risk of each audit area having regard to the internal control environment. We determined performance materiality to be \$196,000 (2024: \$175,000).

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of \$14,000 (2024: \$12,500). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The Group operates through the Parent Company based in Guernsey whose main function is the incurring of administrative costs and providing funding to the operating entities in Kazakhstan. In addition to the Parent Company, the subsidiary Firma Balausa LLC was considered to be a significant component.

In establishing our overall approach to the Group audit, we determined the type of work that needed to be performed in respect of each component. A full scope audit of both the Parent Company and Firma Balausa LLC subsidiary was carried out principally in Kazakhstan by a component auditor, at the direction of instructions provided by the Group auditor. The consolidation was audited by the Group auditor. The remaining components of the Group were considered non-significant and these components were subject to analytical procedures performed by the Group auditor.

Our involvement with component auditors

In respect of the work performed by the component auditor, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the consolidated financial statements as a whole.

Our involvement with the component auditor included the following:

- Detailed group instructions were sent to the component auditor, which included the significant areas to be covered by the audit (including areas that were deemed to be key audit matters as detailed below), the level of component materiality, and set out the information required to be reported on to the Group auditor;
- The Group auditor team reviewed the component auditor's working papers at their offices in Kazakhstan and held regular calls with the component auditor throughout the engagement;
- We held calls and meetings with Group and component management to discuss accounting and audit matters arising.

Members of the Group audit team visited Kazakhstan to meet with local management and substantiate information and explanations provided during the audit work.

Independent Auditor's Report continued

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified going concern as a key audit matter and have detailed our response in the section headed Material Uncertainty Related to Going Concern above.

This is not a complete list of all risks identified in the audit.

Key audit matter	How our scope addressed the key audit matter
<p>1. Carrying value of Exploration and Evaluation assets (note 13)</p> <p>The Group carried Exploration and Evaluation assets totalling \$10.5m (2024: \$7.9m) in relation to the Balasausqandiq deposit in Kazakhstan. These costs have been capitalised in accordance with the requirements of IFRS 6.</p> <p>At each reporting date, the Directors are required to assess whether there are any indicators of impairment, that would require an impairment assessment to be carried out. The Directors concluded that there were no indicators of impairment.</p> <p>The Directors' consideration of the impairment indicators requires them to make certain judgements, which makes this a key audit matter.</p>	<p>We obtained and reviewed the Directors' assessment of the indicators of impairment, as set out in IFRS 6 "Exploration for and evaluation of mineral resources". The following procedures were performed to challenge the Directors' conclusion that no indications of impairment were present:</p> <ul style="list-style-type: none"> • We obtained a copy of the Group's subsoil use agreement, and confirmed that it remains valid; • We reviewed correspondence with the Government licensing body during the year, including in relation to the application for Addendum No. 5 to the subsoil use agreement; • We made specific enquiries of the Directors and key staff involved in the exploration work, and challenged management to demonstrate that further exploration work in the area covered by the subsoil use agreement was planned and had been incorporated in budgets and forecasts; • We considered the output of the Definitive Feasibility Study in the context of the commercial feasibility of the Balasausqandiq project, and in the recoverability of capitalised exploration and development costs; • We performed an assessment of the objectivity and competence of the Experts who prepared the Definitive Feasibility Study; • We held discussions with the Experts who prepared the Definitive Feasibility Study to understand their approach and any further works required to refine the results; • We reviewed the adequacy of disclosures in the financial statements in relation to the impairment consideration.

Key audit matter	How our scope addressed the key audit matter
<p>2. Revenue recognition (note 4)</p> <p>The Group generated revenues of \$4.5m (2024: \$4.72m) during the year.</p> <p>In considering application of IFRS 15 “Revenue from Contracts with Customers”, particular attention was required in the following areas:</p> <ul style="list-style-type: none"> – The identification of performance obligations in the contract, and the point at which performance obligations are satisfied and when revenue is recognised, which can be specific to each contract. – The accounting for variable consideration associated with estimates of quality and quantity for sales during the year, which are subject to final checks post year end. <p>Given the level of judgement and estimation involved, we considered revenue recognition to represent a significant audit risk and therefore a key audit matter.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> • We assessed the Group’s contracts and revenue recognition policy against the 5-step model of IFRS 15 to consider the appropriateness of the accounting policy. • We obtained and reviewed sales agreements for a sample of customers to assess the appropriateness and application of the accounting policy. Specific consideration was given to the identification of performance obligations and the timing and circumstances at which these are satisfied. • We evaluated the appropriateness of management’s accounting treatment for the provisional pricing clauses for open sales, and for the estimation of quality and quantity of amounts, comparing these to actual outcomes post year end. • We obtained sales confirmation letters from the Group’s key customers, covering 81% of revenue; • We agreed a sample of revenue transactions to documentation supporting shipping and delivery of goods, ensuring that revenue had been recognised at the appropriate point according to the terms of the contract. • For a sample of sales around the year end, we vouched to documentation supporting their inclusion in the correct accounting period. • We reviewed financial statements disclosures to ensure these were compliant with IFRS 15.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report continued

Matters on which we are required to report by exception

Under The Companies (Guernsey) Law, 2008, we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 29, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the procedures in place for ensuring compliance. These included the Companies (Guernsey) Law 2008, Listing Rules and the significant laws and regulations in Kazakhstan including the terms of the subsoil use agreement, tax legislation and environmental legislation.
- As part of our audit planning process, we assessed the different areas of the financial statements, including disclosures, for the risk of material misstatement. This included considering the risk of fraud where direct enquiries were made with management and those charged with governance concerning both whether they had any knowledge of any actual or suspected fraud and their assessment of the susceptibility to fraud. We considered the risk to be greater in areas involving significant management estimation or judgement. Based on this assessment, we designed audit procedures to focus on these specific areas.
- We tested the appropriateness of journal entries throughout the year by vouching a risk-based sample of journals to supporting documentation and explanations.
- A detailed review of the Group's year end adjusting entries was performed. Any items that appeared unusual in nature or value were vouched to supporting documentation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law 2008. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Stallabrass

Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London, U.K.
Date: 29 April 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2025

	Note	2025 \$000	2024 \$000
Revenue from customers (pricing at shipment)	4	4,524	4,722
<i>Final pricing adjustments after delivery</i>	4	7	16
Total revenue	4	4,531	4,738
Cost of sales	5	(6,253)	(7,550)
Gross loss		(1,722)	(2,812)
Other income	6	70	50
Administrative expenses	7	(3,565)	(3,022)
Impairment loss	12	-	(954)
Distribution expenses		(137)	(149)
Other expenses	8	(504)	(563)
Loss from operating activities		(5,858)	(7,450)
Net finance costs	10	(2,557)	(1,979)
Loss before income tax		(8,415)	(9,429)
Income tax	11	-	-
Loss for the period		(8,415)	(9,429)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign operations		(261)	(1,080)
Total comprehensive loss for the period		(8,676)	(10,509)
Loss per share (basic and diluted) (US\$)	20	(0.017)	(0.020)

Consolidated Statement of Financial Position

as at 31 December 2025

	Note	31 December 2025 \$000	31 December 2024 \$000
ASSETS			
Non-current assets			
Property, plant and equipment	12	3,605	3,535
Exploration and evaluation assets	13	10,480	7,999
Intangible assets	14	18	18
Prepayments	18	-	971
Total non-current assets		14,103	12,523
Current assets			
Inventories	16	1,318	874
Trade and other receivables	17	1,307	1,237
Prepayments	18	931	853
Cash and cash equivalents	19	1,684	3,777
Total current assets		5,240	6,741
Total assets		19,343	19,264
EQUITY AND LIABILITIES			
Equity			
Share capital	20	61,212	55,027
Additional paid-in capital		397	397
Share-based payment reserve	20	76	42
Foreign currency translation reserve		(5,464)	(5,202)
Accumulated losses		(58,950)	(50,535)
Total equity		(2,729)	(271)
Non-current liabilities			
Loans and borrowings	21	5,000	17,134
Lease liabilities		85	-
Provisions	22	29	24
Total non-current liabilities		5,114	17,158
Current liabilities			
Loans and borrowings	21	12,872	432
Trade and other payables	23	4,086	1,843
Deferred income	24	-	102
Total current liabilities		16,958	2,377
Total liabilities		22,072	19,535
Total equity and liabilities		19,343	19,264

These consolidated financial statements were approved and authorised by the Board of Directors on 29 April 2026 and were signed on its behalf by:



William Callewaert
Director

The notes on pages 40 to 67 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

	Share capital \$000	Additional paid in capital \$000	Share-based payment reserve \$000	Foreign currency translation reserve \$000	Accumulated losses \$000	Total \$000
Balance at 1 January 2024	55,027	397	20	(4,122)	(41,106)	10,216
Loss for the year	-	-	-	-	(9,429)	(9,429)
Other comprehensive expenses						
Exchange differences arising on translation of foreign operations	-	-	-	(1,080)	-	(1,080)
Total comprehensive loss for the year	-	-	-	(1,080)	(9,429)	(10,509)
Transactions with owners, recorded directly in equity						
Other transactions recognised directly in equity	-	-	22	-	-	22
Balance at 31 December 2024	55,027	397	42	(5,202)	(50,535)	(271)
Balance at 1 January 2025	55,027	397	42	(5,202)	(50,535)	(271)
Loss for the year	-	-	-	-	(8,415)	(8,415)
Other comprehensive expenses						
Exchange differences arising on translation of foreign operations	-	-	-	(262)	-	(262)
Total comprehensive loss for the year	-	-	-	(262)	(8,415)	(8,677)
Transactions with owners, recorded directly in equity						
Shares issued, net of issue costs (Note 20)	6,185	-	-	-	-	6,185
Other transactions recognised directly in equity	-	-	34	-	-	34
Balance at 31 December 2025	61,212	397	76	(5,464)	(58,950)	(2,729)

Consolidated Statement of Cash Flows

for the year ended 31 December 2025

	Note	2025 \$000	2024 \$000
Cash flows from operating activities			
Loss for the year		(8,415)	(9,429)
<i>Adjustments for:</i>			
Depreciation and amortisation	12, 14	441	962
Impairment of plant and equipment	12	-	954
Profit on sale of plant and equipment	6, 12	-	(42)
Write-off of property, plant and equipment	8	-	2
Write-down of inventory to net realisable value	8	205	71
Write-down of prepayments	8	40	273
Share-based payment expense	20	34	22
Net finance costs	10	2,557	1,979
Cash used in operating activities before changes in working capital		(5,138)	(5,208)
Change in inventories	16	(444)	1,109
Change in trade and other receivables	17	(70)	79
Change in prepayments	18	893	47
Change in trade and other payables	23	4,004	(298)
Change in deferred income	24	(102)	-
Net cash used in operating activities		(857)	(4,271)
Cash flows from investing activities			
Acquisition of property, plant and equipment	12	(281)	(204)
Acquisition of exploration and evaluation assets	13	(3,387)	(2,113)
Acquisition of intangible assets	14	-	(3)
Proceeds from the disposal of plant and equipment	6	59	45
Net cash used in investing activities		(3,609)	(2,275)
Cash flows from financing activities			
Proceeds from issue of share capital	20	4,381	-
Proceeds from borrowings	21	-	10,003
Issue costs on borrowings	21	-	(565)
Interest paid	21	(2,120)	(1,041)
Net cash from financing activities		2,261	8,397
Net (decrease)/increase in cash and cash equivalents		(2,205)	1,851
Cash and cash equivalents at the beginning of the year	19	3,777	1,952
Effect of movements in exchange rates on cash and cash equivalents		112	(26)
Cash and cash equivalents at the end of the year		1,684	3,777

Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

1 Basis of preparation

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and the following subsidiaries:

Company	Location	Company's share in share capital	Primary activities
Energy Metals Limited	UK	100%	Dormant
Vanadium Products LLC	Kazakhstan	100%	Performs services for the Group
Firma Balausa LLC	Kazakhstan	100%	Production and sale of vanadium and associated by-products
Balausa Processing Company LLC	Kazakhstan	100%	Dormant

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

(b) Basis of measurement

The consolidated financial statements are prepared on the historical cost basis. Historical cost is defined as the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition.

(c) Functional and presentation currency

The national currency of Kazakhstan is the Kazakhstan Tenge ("KZT") which is also the functional currency of the Group's operating subsidiaries. The functional currency of the Company is US Dollars ("US\$"). The presentation currency of the consolidated financial statements is US Dollars.

(d) Going concern

The consolidated financial statements have been prepared in accordance with IFRS on a going concern basis.

The operations of the Group are financed from a combination of cash flows generated by the existing operation, bond issues and funds raised from shareholders and strategic investors. In common with many pre-production entities, the Group will need to raise further funds in order to progress from the feasibility study phase into construction and ultimately into production. The Directors consider the ability of the Company to raise further funding to be a material uncertainty.

With respect to the Bond Programme, a number of the tranches previously issued under the programme will come to maturity during 2026 and the Company will need to either fund these redemptions in cash or by alternative non-cash methods. The Directors consider the ability of the Company to fund the upcoming redemptions required by the Bond Programme to be a material uncertainty. Further information on the tranches issued under the Bond Programme is disclosed at Note 21.

These conditions indicate the existence of a material uncertainty, which may cast doubt over the Group's ability to continue as a going concern, and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include adjustments that would arise in the event of the Group not being able to continue as a going concern.

Following the publication of the Feasibility Study, the Directors are confident based on their previous experience and success in raising capital that the Company will be able to secure further funding to address the material uncertainties noted above and, therefore, the Company will continue as a going concern for at least the next 12 months. Accordingly, the Directors believe that it is appropriate that the Company adopts the going concern basis of accounting in preparation of these financial statements.

2 Use of estimates and judgements

Preparing the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements that relate to estimation uncertainty

Inventories (Note 16)

The Group holds material inventories which are assessed for impairment at each reporting date. The assessment of net realisable value requires consideration of future cost to process and sell and spot market prices at year end less applicable discounts. The estimates are based on market data and historical trends.

Trade and other receivables (Note 17)

The Group holds trade and other receivable balances at the year end which are assessed for recoverability at each reporting date. The assessment of recoverability is based on estimates of future receipts taking into consideration past receipt patterns and trends.

Judgements that do not relate to estimation uncertainty

Exploration and evaluation assets (Note 13)

The Group holds material exploration and evaluation assets and judgement is applied in determining whether impairment indicators exist under the Group's accounting policy. In determining that no impairment indicator exists management have considered the Group's Feasibility Study on the asset, the strategic plans for exploration and future development and the status of the Subsoil Use Agreement. Judgement was required in determining that the application for deferral of obligations under the Subsoil Use Agreement (Note 26) will be granted, given that approval is a procedural matter, and not discretionary, under the Kazakhstan national Subsoil Use legislation. Management anticipate such approvals being provided given their understanding of the Kazakh market and plans for the asset. In the event that approval is not received, the Group will consider the options available to it to effect approval under the provisions of the Kazakhstan national Subsoil Use legislation.

Additionally, judgement was required in determining that the Group's exploration and evaluation asset should continue to be classified as such an asset rather than transitioning to classification as a development asset. Management has concluded that until the final investment decision for the development of the asset has been determined by the Board then the asset should continue to be classified as an exploration and evaluation asset.

3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities, except for the implementation of new standards and interpretations.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Notes to the Consolidated Financial Statements continued

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising in translation are recognised in profit or loss.

(ii) Presentation currency

The assets and liabilities of foreign operations are translated to US\$ at the exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to US\$ at the average exchange rate for the period, which approximates the exchange rates at the dates of the transactions. Where specific material transactions occur, such as impairments or reversals of impairments, the daily exchange rate is applied when the impact is material.

Foreign currency differences are recognised in other comprehensive income and are presented within the foreign currency translation reserve in equity.

Foreign currency differences arising on intercompany loans, where the loans are not planned to be repaid within the foreseeable future and form part of a net investment, are recorded within other comprehensive income and are presented within the foreign currency translation reserve in equity.

(c) Financial instruments

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

(i) Financial assets

Financial assets are classified as either financial assets at amortised cost, at fair value through other comprehensive income ("FVTOCI") or at FVTPL depending upon the business model for managing the financial assets and the nature of the contractual cash flow characteristics of the financial asset.

A loss allowance for expected credit losses is determined for all financial assets, other than those at FVTPL, at the end of each reporting period. The Group applies a simplified approach to measure the credit loss allowance for trade receivables using the lifetime expected credit loss provision. The lifetime expected credit loss is evaluated for each trade receivable taking into account payment history, payments made subsequent to year end and prior to reporting, past default experience and the impact of any other relevant and current observable data. The Group applies a general approach on all other receivables classified as financial assets. The general approach recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition.

The Group derecognises a financial asset 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 party. The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or have expired.

(ii) Customer contracts

Under some of its customer sale arrangements, the Group receives a provisional payment upon satisfaction of its performance obligations based on the spot price at that date, which occurs prior to the final price determination, with the

Group then subsequently receiving or paying the difference between the final price and quantity and the provisional payment. As a result of the pricing structure, the instrument is classified at FVTPL and measured at fair value with changes in fair value recorded as other revenue.

(iii) Other receivables

Other receivables are accounted for at amortised cost. Other receivables do not carry any interest and are stated at their nominal value as reduced by appropriate expected credit loss allowances for estimated recoverable amounts as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.

(iv) Cash and cash equivalents

Cash and cash equivalents comprise cash balances in banks, call deposits and highly liquid investments with maturities of three months or less from the acquisition date that are subject to insignificant risk of changes in their fair value, and petty cash.

(v) Financial liabilities

The Group has the following non-derivative financial liabilities: borrowings and trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

(vi) Long-term borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit or loss.

(vii) Share capital

Ordinary shares

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

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is measured at cost.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset into a working condition for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located.

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Notes to the Consolidated Financial Statements continued

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and prior periods are as follows:

- Buildings 10-50 years;
- Plant and equipment 4-20 years;
- Vehicles 4-7 years;
- Computers 3-6 years; and
- Other 3-10 years.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively if appropriate.

Assets under construction are not depreciated and begin being depreciated once they are ready and available for use in the manner intended by management.

(e) Exploration and evaluation assets

Exploration and evaluation expenditure for each area of interest once the legal right to explore has been acquired, other than that acquired through a purchase transaction, is carried forward as an asset provided that one of the following conditions is met:

- Such costs are expected to be recouped through successful exploration and development of the area of interest or, alternatively, by its sale; or
- Exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Exploration and evaluation costs are capitalised as incurred. Exploration and evaluation assets are classified as tangible or intangible based on their nature. Exploration expenditure which fails to meet at least one of the conditions outlined above is written off. Administrative and general expenses relating to exploration and evaluation activities are expensed as incurred.

The exploration and evaluation assets shall no longer be classified as such once the final investment decision for the project related to those assets has been determined by the Board.

Exploration and evaluation assets will be reclassified either as tangible or intangible development assets and amortised on a unit-of-production method based on proved reserves.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of exploration and evaluation assets may exceed their recoverable amount, which is the case when: the period of exploration license has expired and it is not expected to be renewed; substantial expenditure on further exploration is not planned; exploration has not led to the discovery of commercially viable reserves; or indications exist that exploration and evaluation assets will not be recovered in full from successful development or by sale.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

(f) Intangible assets

(i) Intangible assets with finite useful lives

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

(ii) Subsequent expenditure

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

(iii) Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

- Patents 10-20 years; and
- Mineral rights 20 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on first-in first-out method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Impairment

(i) Non-financial assets

The carrying amounts of the Group's non-financial assets, such as exploration and evaluation assets are reviewed at each reporting date to determine whether there is any indication of impairment. With respect to exploration and evaluation assets, impairment indicators would include expiration of exploration rights at the Balasausqandiq deposit or no further budgeted or planned exploration costs. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the cash generating unit to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the Consolidated Financial Statements continued

(i) Employee benefits

(i) Defined contribution plans

The Group does not incur any expenses in relation to the provision of pensions or other post-employment benefits to its employees. In accordance with Kazakhstan state pension social insurance regulations, the Group withholds pension contributions from Kazakhstan based employee salaries and transfers them into State operated pension funds. Once the contributions have been paid, the Group has no further pension obligations. Upon retirement of employees, all pension payments are administered by the State pension funds directly.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(j) Provisions

(i) Recognition and measurement

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(ii) Site restoration

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration is recognised when the land is disturbed as a result of pit development and plant decommissioning with a corresponding increase in exploration and evaluation costs or property, plant and equipment. Subsequent changes in the provision due to estimates are recorded as a change in the relevant asset. The provision is discounted at a risk-free rate with the costs incorporating risks relevant to the site restoration and an unwinding charge is recognised within finance costs for the unwinding of the discount.

(k) Revenue

(i) Goods sold

Revenue from customers comprises the sale of vanadium and molybdenum products with other revenues from gravel and waste rock being non-significant. Revenue from vanadium products is recognised at a point in time when the customer has a legally binding obligation to settle under the terms of the contract and when the performance obligations have been satisfied, which is once control of the goods has transferred to the buyer at a designated delivery point at which point possession, title and risk transfers.

The Group commonly receives a provisional payment at the date control passes with reference to spot prices at that date. The final consideration is subject to quantity / quality adjustments and final pricing based on market prices determined after the product reaches its port of destination. The quantity / quality adjustments represent a form of variable consideration and revenue is constrained to record amounts for which it is highly probable no reversal will be required. However, given the short period to delivery post year end the final quantity / quality adjustments are known and revenue for the period is adjusted to reflect the final quantity / quality occurring subsequent to year end if material.

Changes in final consideration due to market prices is not determined to qualify as variable consideration within the scope of the IFRS 15 "Revenue from Customers". Changes in fair value as a result of market prices are recorded within revenue as other revenue.

(l) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions for historical costs and site restoration and foreign currency losses. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements result in a net gain or loss, this includes exchange gains and losses that arise on trade and other receivables and trade and other payables in foreign currency.

(m) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(n) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(o) Segment reporting

The Group's operations are split into three segments based on the nature of operations: processing, subsoil operations (being operations related to exploration and mining) and corporate segment for the purposes of IFRS 8: *Operating Segments*. The Group's assets are primarily concentrated in the Republic of Kazakhstan and the Group's revenues are derived from operations in, and connected with, the Republic of Kazakhstan.

(p) Government grants

Government grants are initially recognised as deferred income once the Group has reasonable assurance that the grant will be received and that the Group will be in a position to comply with any terms or conditions associated with the grant.

Grants relating to the purchase of plant and equipment are recognised as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

Notes to the Consolidated Financial Statements continued

(q) New and amended standards adopted

No new standards and interpretations issued by the IASB have had a significant impact on the consolidated financial statements. The Company expects that IFRS 18 *Presentation and Disclosure in Financial Statements*, effective 1 January 2027, will likely impact the future presentation of the consolidated financial statements.

4 Revenue

	2025 \$000	2024 \$000
Sales of vanadium products	2,550	3,076
Sales of ferro-molybdenum	1,929	1,517
Sales of gravel and waste rock	45	-
Service revenue	-	129
Total revenue from customers under IFRS 15	4,524	4,722
Other revenue - change in fair value of customer contracts	7	16
Total revenue	4,531	4,738

Vanadium and molybdenum products

Under certain sales contracts the single performance obligation is the delivery of AMV to the designated delivery point at which point possession, title and risk on the product transfers to the buyer. The buyer makes an initial provisional payment based on volumes and quantities assessed by the Company and market spot prices of V₂O₅ for AMV at the date of shipment. The final payment is received once the product has reached its final destination with adjustments for quality / quantity and pricing. The final pricing is based on the historical average market prices during a quotation period based on the date the product reaches the port of destination and an adjusting payment or receipt will be made to the revenue initially received. Where the final payment for a shipment made prior to the end of an accounting period has not been determined before the end of that period, the revenue is recognised based on the spot price that prevails at the end of the accounting period.

Other revenue related to the change in the fair value of amounts receivable and payable under the sales contracts between the date of initial recognition and the period end resulting from market prices are recorded as other revenue.

5 Cost of sales

	2025 \$000	2024 \$000
Materials	4,361	4,729
Wages, salaries and related taxes	1,225	1,401
Depreciation	375	783
Electricity	136	139
Other	156	498
	6,253	7,550

6 Other income

	2025 \$000	2024 \$000
Currency conversion gain	11	5
Other (sales of equipment)	59	45
	70	50

7 Administrative expenses

	2025 \$000	2024 \$000
Wages, salaries and related taxes	1,781	1,688
Professional services	235	332
Taxes other than income tax	54	71
Listing and reorganisation expenses	498	163
Audit	170	124
Materials	36	48
Rent	64	37
Repairs and maintenance	-	1
Depreciation and amortisation	66	70
Insurance	46	45
Staff training	15	69
Bank fees	18	18
Travel expenses	37	44
Utilities	4	4
Communication and information services	15	16
Other	526	292
	3,565	3,022

8 Other expenses

	2025 \$000	2024 \$000
Currency conversion loss	57	49
Write-down of inventory to net realisable value	205	71
Write-down of obsolete assets	-	2
Write-down of prepayments	40	273
Share-based payment expense	34	22
Other	168	146
	504	563

Notes to the Consolidated Financial Statements continued

9 Personnel costs

	2025 \$000	2024 \$000
Wages, salaries and related taxes	2,997	3,640
	2,997	3,640

During 2025 personnel costs of US\$694,000 (2024: US\$1,401,000) have been charged to cost of sales, US\$1,884,000 (2024: US\$1,688,000) to administrative expenses and US\$523,000 (2024: US\$551,000) were charged to cost of inventories which were not yet sold as at the year end.

The average number of Group employees, excluding the Directors, during the year was 176 (2024: 196).

10 Finance costs

	2025 \$000	2024 \$000
Net foreign exchange costs	558	337
Unwinding of discount on bonds	3	302
Interest expense on financial liabilities (bonds)	1,996	1,340
Net finance costs	2,557	1,979

11 Income tax

The Group's applicable tax rates in 2025 are an income tax rate of 20% for Kazakhstan registered subsidiaries (2024: 20%) and 0% (2024: 0%) for Guernsey registered companies. The Kazakh tax rate has been applied below as this is most reflective of the Group's trading operations and tax profile.

During the years ended 31 December 2025 and 2024 the Group incurred tax losses and, therefore, did not recognise any current income tax expense.

Unrecognised deferred tax assets are described in Note 15.

Reconciliation of effective tax rate:

	2025		2024	
	\$000	%	\$000	%
Loss before tax (Group)	(8,415)	100	(9,429)	100
Income tax at the applicable tax rate	(1,683)	20	(1,886)	20
Effect of unrecognised deferred tax assets / (losses carried forward)	2,424	(31)	822	(7)
Net non-deductible expenses/non-taxable income or loss	(741)	(11)	1,064	(13)
	-	-	-	-

12 Property, plant and equipment

	Land and buildings \$000	Plant and equipment \$000	Vehicles \$000	Computers \$000	Other \$000	Construction in progress \$000	Total \$000
Cost							
Balance at 1 January 2024	5,015	3,822	522	49	256	242	9,906
Additions	-	64	-	2	50	88	204
Transfers	62	186	-	-	-	(248)	-
Disposals	-	(104)	(2)	(3)	(3)	-	(112)
Foreign currency translation difference	(667)	(520)	(68)	(6)	(36)	(16)	(1,313)
Balance at 31 December 2024	4,410	3,448	452	42	267	66	8,685
Balance at 1 January 2025	4,410	3,448	452	42	267	66	8,685
Additions	28	250	-	-	3	-	281
Disposals	-	(126)	-	(10)	(22)	-	(158)
Foreign currency translation difference	185	151	18	1	9	2	366
Balance at 31 December 2025	4,623	3,723	470	33	257	68	9,174
Depreciation and impairment							
Balance at 1 January 2024	851	2,621	361	33	89	-	3,955
Depreciation for the period	432	438	33	6	52	-	961
Impairment charge	-	954	-	-	-	-	954
Disposals	-	(102)	(2)	(3)	(2)	-	(109)
Foreign currency translation difference	(75)	(463)	(51)	(5)	(17)	-	(611)
Balance at 31 December 2024	1,208	3,448	341	31	122	-	5,150
Balance at 1 January 2025	1,208	3,448	341	31	122	-	5,150
Depreciation for the period	378	28	26	4	19	-	455
Disposals	-	(126)	-	(10)	(4)	-	(140)
Foreign currency translation difference	61	13	15	1	14	-	104
Balance at 31 December 2025	1,647	3,363	382	26	151	-	5,569
Carrying amounts							
At 1 January 2024	4,164	1,201	161	16	167	242	5,951
At 31 December 2024	3,202	-	111	11	145	66	3,535
At 31 December 2025	2,976	360	88	7	106	68	3,605

Notes to the Consolidated Financial Statements continued

During 2025 a depreciation expense of US\$375,000 (2024: US\$783,000) has been charged to cost of sales, excluding cost of finished goods that were not sold at year end, US\$66,000 (2024: US\$70,000) to administrative expenses, and US\$94,000 has been charged to cost of finished goods that were not sold at the year end (2024: US\$189,000).

Impairment

On 2 December 2024, the Company announced that save where profitable concentrates could be sourced and treated, the Company's existing plant would be switched to research and development activities to complete and optimise the ongoing feasibility study, including the development of markets for the Company's carbon black substitute product.

IAS 36 stipulates that an entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset.

With reference to IAS 36, during 2024 the Directors determined that the plant and equipment elements of the Company's property, plant and equipment i.e. those assets attributable to the existing operation, should be impaired in full until such time that the existing operation reverted back to operating as a full time concentrate processing plant or other cash generating commercial activities. During 2025 the existing plant continued to undertake R&D activities and accordingly the Directors have determined that the impairment charge recognised in 2024 (US\$954,000) should not be reversed during 2025.

13 Exploration and evaluation assets

The Group's exploration and evaluation assets relate to the Balasausqandiq deposit. During the year, the Group capitalised the cost of technical design, sample assaying and project management costs, all relating to the Company's Feasibility Study. As at 31 December 2025 the carrying value of exploration and evaluation assets was US\$10.5m (2024: US\$8.0m).

	2025	2024
	\$000	\$000
Balance at 1 January	7,999	7,145
Additions (Stage 1 feasibility study)	3,387	1,619
Foreign currency translation difference	(906)	(765)
Balance at 31 December	10,480	7,999

14 Intangible assets

	Mineral rights \$000	Patents \$000	Computer software \$000	Total \$000
Cost				
Balance at 1 January 2024	84	34	3	121
Additions	-	2	1	3
Foreign currency translation difference	(11)	(5)	(1)	(17)
Balance at 31 December 2024	73	31	3	107
Balance at 1 January 2025	73	31	3	107
Foreign currency translation difference	3	2	-	5
Balance at 31 December 2025	76	33	3	112
Amortisation				
Balance at 1 January 2024	84	14	3	101
Amortisation for the year	-	1	-	1
Foreign currency translation difference	(11)	(2)	-	(13)
Balance at 31 December 2024	73	13	3	89
Balance at 1 January 2025	73	13	3	89
Amortisation for the year	-	1	-	1
Foreign currency translation difference	3	1	-	4
Balance at 31 December 2025	76	15	3	94
Carrying amounts				
At 1 January 2024	-	20	-	20
At 31 December 2024	-	18	-	18
At 31 December 2025	-	18	-	18

During 2025 and 2024 the amortisation of intangible assets was charged to administrative expenses.

15 Deferred tax assets and liabilities

Unrecognised deferred tax assets

	2025 \$000	2024 \$000
Temporary deductible differences	(203)	599
Tax losses carried forward	30,380	23,791
Unrecognised tax deferred tax assets	(30,177)	(24,390)
	-	-

Deferred tax assets have not been recognised in respect of these items given the taxable loss in the year and because the Kazakhstan processing operations benefit from a tax incentive agreement which reduces the tax payable to nil and it is, therefore, uncertain that future taxable profit will be available against which the Group can utilise the benefits therefrom. The tax incentive agreement is effective for ten years starting from 2018.

The increase in carried forward tax losses comprises the tax loss for the period and the effect of resubmissions of previous tax filings which contributed to an increase in tax losses.

Notes to the Consolidated Financial Statements continued

Temporary deductible differences mostly relate to property, plant and equipment. Unutilised tax losses expire after 10 years from the year of origination.

Expiry dates of unrecognised deferred tax assets in respect of tax losses carried forward at 31 December 2025 are presented below:

Expiry year	\$000
2026	708
2027	424
2028	455
2029	1,898
2030	2,991
2031	1,392
2032	3,489
2033	2,695
2034	10,137
2035	5,806
	29,995

Unrecognised deferred tax assets above are calculated based on the Kazakh tax rate of 20%.

16 Inventories

	2025	2024
	\$000	\$000
Raw materials and consumables	1,060	516
Finished goods	230	287
Work in progress	28	71
	1,318	874

During 2025 inventories expensed to profit and loss amounted to US\$4.4m (2024: US\$4.7m).

17 Trade and other receivables

	2025	2024
	\$000	\$000
Current		
Trade receivables from third parties	264	319
Due from employees	76	-
VAT receivable	1,040	781
Other receivables	-	195
	1,380	1,295
Expected credit loss provision for receivables	(73)	(58)
	1,307	1,237

The expected credit loss provision for receivables relates to credit impaired receivables which are in default and the Group considers the probability of collection to be remote given the age of the receivable and default status.

18 Prepayments

	2025 \$000	2024 \$000
Non-current		
Prepayment for E&EA	-	964
Other prepayments	1	7
	1	971
Current		
Prepayments for goods and services	931	853
	931	853

19 Cash and cash equivalents

	2025 \$000	2024 \$000
Cash at current bank accounts	1,613	209
Cash at bank deposits	70	3,567
Petty cash	1	1
Cash and cash equivalents	1,684	3,777

20 Equity

(a) Share capital

Number of shares unless otherwise stated

	Ordinary shares	
	31 December 2025	31 December 2024
Par value	-	-
Outstanding at beginning of year	483,222,238	483,222,238
Shares issued	75,907,391	-
Outstanding at end of year	559,129,629	483,222,238

Reconciliation of shares issued

Date of admission	Number of shares issued	Cash proceeds (US\$)	Non cash benefit (US\$)
6 January 2025	1,764,983	10,000	208,377
12 March 2025	8,657,115	-	872,553
10 July 2025	16,666,667	1,310,276	54,188
11 November 2025	20,638,879	1,329,181	289,692
10 December 2025	28,179,747	1,731,499	336,359
Total	75,907,391	4,380,956	1,761,169

Ordinary shares

All shares rank equally. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Notes to the Consolidated Financial Statements continued

Reserves

Share capital: Value of shares issued less costs of issuance.

Additional paid in capital: Amounts due to shareholders which were waived.

Share-based payment: Share options issued.

Foreign currency translation reserve: Foreign currency differences on retranslation of results from functional to presentational currency and foreign exchange movements on intercompany balances considered to represent net investments which are considered as permanent equity.

Accumulated losses: Cumulative net losses.

(b) Share options

Summary

All share options are issued under the Company's share option plan. The share option plan is a scheme that entitles key management personnel to purchase shares in the Company at the market price of the shares at the date of grant.

The following table summarises the activities and status of the Company's share option plan during the year and at the year end.

	2025 share options
Outstanding at the beginning of the year	1,000,000
Granted during the year	1,000,000
Exercised during the year	-
Expired / cancelled during the year	-
Outstanding at the year end	2,000,000

Share options in force at the year end were as follows:

Grant date	Number of options	Exercise date	Exercise price per share (US\$)	Expiry date
29 June 2022	250,000	29 June 2025	0.162	29 June 2027
22 September 2022	250,000	22 September 2025	0.151	22 September 2027
12 September 2023	500,000	12 September 2026	0.116	12 September 2028
2 May 2025	1,000,000	2 May 2028	0.088	2 May 2030
	2,000,000			

No options that vested during the year were exercised or forfeited.

Share-based payment reserve

The following table summarises the changes in the Company's share-based payment reserve during the year:

	Share-based payment reserve (US\$)
At 1 January 2025	42,210
Exercise of share options	-
Issue of options	-
Payment expense recognised for the year	34,439
At 31 December 2025	76,649

Share-based payment expense

During the year, the Company recognised US\$34,439 (2024: US\$22,447) of share-based payment expense. The fair value of the share-based compensation was estimated on the dates of grant using the Black-Scholes option pricing model with the following assumptions:

Grant date	2 May 2025
Share price at grant date (US\$)	0.0829
Exercise price (US\$)	0.0829
Expected volatility*	197.3%
Expected life (years)	3
Expected dividend yield (US\$)	-
Risk-free interest rate**	3.995%
Fair value per option (US\$)	0.076

*expected volatility is derived from the Company's historical share price volatility

**the risk-free rate of return is based on UK government gilts for a term consistent with the option life

All share options granted during the year have non-market vesting conditions that were not considered in measuring fair value.

(c) Dividends

No dividends were declared for the year ended 31 December 2025 (2024: US\$ nil).

(d) Loss per share (basic and diluted)

The calculation of the basic and diluted loss per share has been based on the loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding. There are no convertible bonds and convertible preferred stock, so basic and diluted losses are equal.

(i) Loss attributable to ordinary shareholders (basic and diluted)

	2025 \$000	2024 \$000
Loss for the year, attributable to owners of the Company	(8,415)	(9,429)
Loss attributable to ordinary shareholders	(8,415)	(9,429)

(ii) Weighted-average number of ordinary shares (basic and diluted)

Shares	2025	2024
Issued ordinary shares at 1 January (after subdivision)	483,222,238	483,222,238
Effect of shares issued (weighted)	22,090,787	-
Weighted-average number of ordinary shares at 31 December	505,313,025	483,222,238
Loss per share of common stock attributable to the Company (basic and diluted) (US\$)	(0.017)	(0.020)

21 Loans and borrowings

In 2023 the Company launched the US\$20m Bond Programme in Kazakhstan and has issued four tranches of unsecured corporate bonds under the Bond Programme with effective interest rates of 9.2%, 10.4%, 11% and 13.5% respectively.

With respect to the first tranche of bonds, investors have subscribed for a total of 1,500 bonds with a nominal value of US\$2,000 each. These bonds are unsecured, have a three-year term and bear a coupon rate of 9%, paid twice-yearly. The bonds have been listed on AIX with ISIN number KZX000001474. This tranche reaches maturity on 27 July 2026.

Notes to the Consolidated Financial Statements continued

With respect to the second tranche of bonds, investors have subscribed for a total of 50,000 bonds with a nominal value of US\$100 each. These bonds are unsecured, have a three-year term and bear a coupon rate of 10%, paid quarterly. The bonds have been listed on AIX with ISIN number KZX000001623. This tranche reaches maturity on 19 September 2026.

With respect to the third tranche of bonds, investors have subscribed for a total of 50,000 bonds with a nominal value of US\$100 each. These bonds are unsecured, have a two and a half year term and bear a coupon rate of 11%, paid quarterly. The bonds have been listed on AIX with ISIN number KZX000001946. This tranche reaches maturity on 30 July 2026.

With respect to the fourth tranche of bonds, investors have subscribed for a total of 50,000 bonds with a nominal value of US\$100 each. These bonds are unsecured, have a three-year term with an option to redeem 12 months early and bear a coupon rate of 13.5%, paid quarterly. The bonds have been listed on AIX with ISIN number KZX000003348. This tranche reaches maturity on 29 November 2027 with an option for early redemption on 29 November 2026.

	2025 \$000	2024 \$000
Non-current liabilities		
Bonds payable	5,000	17,134
	5,000	17,134
Current liabilities		
Bonds payable	12,563	-
Interest payable	309	432
	12,872	432

During the year, no bonds came to maturity or were repaid to bondholders (2024: US\$ nil)

The terms and conditions of outstanding the bonds (which are not subject to any covenants) as at 31 December 2025 were as follows:

USD	Currency	Effective interest rate	Nominal amount \$000	Actual amount \$000	Coupon rate	Coupon paid	Interest
Bonds payable	USD	9.2%	3,000	2,898	9%	270	271
Bonds payable	USD	10.4%	5,000	4,874	10%	625	500
Bonds payable	USD	11.0%	5,000	5,003	11%	550	550
Bonds payable	USD	13.5%	5,000	5,000	13.5%	675	675
			18,000	17,775		2,120	1,996

Non-cash transactions from financing activities are shown in the reconciliation of liabilities from financing transactions.

	2025 \$000	2024 \$000
Loans and borrowings		
At 1 January	17,566	7,527
Cash flows:		
– Interest paid	(2,120)	(1,041)
– Repayment of loans and borrowings	-	-
– Proceeds from loans and borrowings	-	10,003
Total	15,446	16,489
Non-cash flows		
– Interest accruing in period	1,996	1,340
– Bond discount / premium	430	(263)
At 31 December	17,872	17,566

22 Provisions

	2025 \$000	2024 \$000
Balance at 1 January	24	31
Change in estimate	4	(3)
Foreign currency translation difference	1	(4)
Balance at 31 December	29	24
Non-current	29	24
	29	24

Site restoration

A provision has been recognised in respect of the Group's obligation to rectify environmental issues at the Balasausqandiq deposit in the Kyzylorda region.

In accordance with Kazakhstan environmental legislation, any land contaminated by the Group in the Kyzylorda region must be restored before the end of 2043. The provision was estimated by considering the risks related to the amount and timing of restoration costs based on the known level of damage. Because of the long-term nature of the liability, the main uncertainty in estimating the provision is the costs that will be incurred. In particular, the Group has assumed that the site will be restored using technology and materials that are available currently. A fund to cover this liability will be collected via annual statutory contributions to the special liquidation fund at the rate of 1% of mining expenses as stipulated in the Subsoil Use Agreement. Based on the working program which forms part of the Subsoil Use Agreement the total amount is expected to reach KZT 675m or c. US\$1,290,000. The present value of restoration costs was determined by discounting the estimated restoration cost using a Kazakh risk-free rate (15%) for the respective period, and average inflation for the 2024 was 8.6%. The estimated period for discounting was 19 years (2024: 20 years). Environmental legislation in Kazakhstan continues to evolve and it is difficult to determine the exact standards required by the current legislation in restoring sites such as this. Generally, the standard of restoration is determined based on discussions with the Kazakh government at the time that restoration commences.

23 Trade and other payables

	2025 \$000	2024 \$000
Trade payables	2,910	1,273
Debt to employees	189	188
Other taxes	186	310
Advances received	801	72
	4,086	1,843

24 Deferred income

	2025 \$000	2024 \$000
Government grants	-	102
	-	102

During 2023, the Group was awarded grant funding by the Kazakhstan National Scientific Council for the development of technology for the production of mixed vanadium oxides for use in VRFBs.

Notes to the Consolidated Financial Statements continued

25 Financial instruments and risk management

(a) Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Chief Executive has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Group's activities. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

(i) Exposure to credit risk

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

	Carrying amount	
	2025 \$000	2024 \$000
Trade and other receivables, excluding amounts due from employees and VAT receivable	264	319
Cash and cash equivalents	1,683	3,777
	1,947	4,096

The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was:

	Carrying amount	
	2025 \$000	2024 \$000
Kazakhstan	264	319
	264	319

The maximum exposure to credit risk for trade and other receivables at the reporting date by type of customer was:

	Carrying amount	
	2025 \$000	2024 \$000
<i>Trade receivables:</i>		
Wholesale customers	264	319
	264	319

The ageing of trade and other receivables at the reporting date was:

	Gross 2025 \$000	Impairment 2025 \$000	Net 2025 \$000	Gross 2024 \$000	Impairment 2024 \$000	Net 2024 \$000
Not past due	264	-	264	319	-	319
Past due more than 180 days	73	(73)	-	58	(58)	-
	337	(73)	264	377	(58)	319

The movement in the allowance for expected credit losses in respect of other receivables during the year was as follows:

	2025 \$000	2024 \$000
Balance at beginning of the year	58	47
Expected gain change	15	11
Balance at end of the year	73	58

Amounts due from customers at the year end have been mainly subsequently collected in 2026, except for credit impaired amounts. No additional expected credit loss provision has been applied.

(ii) Cash and cash equivalents

As at 31 December 2025 the Group held cash of US\$1.68m (2024: US\$3.78m), of which balances of US\$1.68m (2024: US\$3.78m) represent its maximum credit exposure on these assets (which excludes petty cash). Of these balances 88% (2024: 97%) is held in banks with credit ratings of A+ to AA and 12% in banks with credit ratings of B to BB (2024: 3%). Credit ratings are provided by the rating agency FitchRatings.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts:

2025	Carrying amount \$000	Contractual cash flows \$000	On demand \$000	0-6 mths \$000	6 months - 1 year \$000	1-3 years \$000
Financial liabilities						
Trade and other payables	2,910	2,910	-	2,910	-	-
Loans and borrowings	17,872	17,872	-	863	13,735	3,274
	20,782	20,782	-	3,773	13,735	3,274
2024	Carrying amount \$000	Contractual cash flows \$000	On demand \$000	0-6 mths \$000	6 months - 1 year \$000	1-3 years \$000
Financial liabilities						
Trade and other payables	1,273	1,273	-	1,273	-	-
Loans and borrowings	17,566	21,970	-	1,430	998	19,542
	18,839	23,243	-	2,703	998	19,542

Notes to the Consolidated Financial Statements continued

(d) Market risk

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

In order to ascertain market risk the Group analyses the impact of different levels of vanadium pentoxide and molybdenum prices on profitability as well as closely monitoring the market conditions for other leading international organisations operating in the vanadium industry.

(i) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currency of Group entities.

In respect of monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term imbalances.

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

	US\$- denominated 2025 \$000	GBP- denominated 2025 \$000	EUR- denominated 2025 \$000	RUB- denominated 2025 \$000	KZT- denominated 2025 \$000
2025					
Cash and cash equivalents	1	1,480	-	-	203
Trade and other payables	-	-	-	-	(4,085)
Loans and borrowings	(17,872)	-	-	-	-
Net exposure	(17,871)	1,480	-	-	(3,882)
	US\$- denominated 2024 \$000	GBP- denominated 2024 \$000	EUR- denominated 2024 \$000	RUB- denominated 2024 \$000	KZT- denominated 2024 \$000
2024					
Cash and cash equivalents	3,500	142	-	5	130
Trade and other payables	(959)	-	(98)	(43)	(895)
Loans and borrowings	(17,566)	-	-	-	-
Net exposure	(15,025)	142	(98)	(38)	(765)

The following significant exchange rates applied during the year:

in US\$	Average rate		Reporting date spot rate	
	2025	2024	2025	2024
KZT 1	0.0019	0.0021	0.0020	0.0019
GBP 1	1.3184	1.2784	1.3518	1.2589
RUB 1	0.0120	0.0108	0.0128	0.0095
EUR 1	1.1304	1.0818	1.1773	1.0438

(ii) Interest rate risk

Changes in interest rates do not significantly impact the Group's position as at 31 December 2025. Management does not have a formal policy of determining how much of the Group's exposure should be to fixed or variable rates. However, at the time of raising new loans or borrowings management uses its judgment to decide whether it believes that a fixed or variable rate would be more favourable to the Group over the expected period until maturity.

Bond interest rates are fixed by agreement.

Changes in interest rates at the reporting date would not significantly affect profit or loss.

(iii) Other risks

IAS 1 requires the disclosure of the risks and measures to meet the risks related to external capital requirements.

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising returns to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2023.

The capital structure of the Group consists of net debt (see Note 21) and the equity of the Group (see Note 20).

The Group is not subject to any externally imposed capital requirements.

The Group reviews the capital structure on a regular basis giving consideration to the cost of capital and the risks associated with each class of capital.

Debt is defined as long- and short-term borrowings as detailed in Note 21.

Equity includes all capital and reserves of the Group that are managed as capital.

(e) Fair values versus carrying amounts

Management believes that the fair value of the Group's financial assets and liabilities approximates their carrying amounts.

Categories of financial instruments

	2025 \$000	2024 \$000
Financial assets (includes cash)		
Trade and other receivables	264	319
Cash at amortised cost	1,683	3,777
	1,947	4,096
Financial liabilities – measured at amortised cost		
Trade and other payables at amortised cost	2,910	1,273
Loans and borrowings at amortised cost	17,872	17,566
	20,782	18,839

The basis for determining fair values is disclosed below.

Financial instruments measured at fair value are presented by level within which the fair value measurement is categorised. The levels of fair value measurement are determined as following:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group's contract receivables and liabilities at the year end are recorded at fair value through profit and loss and fair valued based on the estimated forward prices that will apply under the terms of the sales contracts upon the product reaching the port of destination. The trade receivable fair value reflects amounts receivable from the customer adjusted for forward prices expected to be realised.

In the absence of observable forward prices the forward price is estimated using a valuation methodology which is based on vanadium spot prices at 31 December 2025 adjusted for the discount for AMV, time value of money and carry costs. Given the short period to final pricing the time value of money and carry costs are not significant and the forward price materially approximates the spot price at year end with the adjustment to reflect the difference between vanadium pentoxide prices and AMV. Any fair value of trade receivables and payables at FVTPL are categorised at Level 3. During the year there were no transfers between levels of fair value hierarchy.

Notes to the Consolidated Financial Statements continued

26 Commitments

Under the conditions of the Subsoil Use Agreement under which the Group has the right to develop and exploit the Balasausqandiq deposit, the Group is obliged to undertake a minimum level of mining and to make certain levels of expenditure on the training of Kazakh employees, research and development and the development of the Shieli region. There is also an obligation to set aside funds to provide for the eventual costs of mine closure and or site reclamation.

The current obligations of the Group under the Subsoil Use Agreement, as modified by Addendum 4, are as follows:

- Minimum quantity of ore to be mined:

Year	Tonnes
2023	567,700
2024	788,100
2025	1,102,300
2026	1,102,300
2027	1,102,300
2028	1,102,300
2029 onwards	1,102,300

- Training costs should be equal to 1% of the Group's capital expenditures on subsoil activities. Costs in 2025: US\$15,000 (2024: US\$60,000)
- Research and development should be equal to 1% of the Group's income from subsoil activities. Costs in 2025: US\$ nil (2024: US\$15,000)
- The addition to the liquidation fund should be equal to 1% of the Group's costs of mining ore. Costs in 2025: US\$ nil (2024: US\$12,000)
- Expenditure on social development of the Shieli region should be equal to 1.5% of the Group's costs of mining ore. Costs in 2025: US\$ nil (2024: US\$18,500).

All obligations of the Subsoil Use Agreement have been complied with except for certain exploration work programme requirements, specifically the volume of ore to be mined.

The Group has requested formal amendments to the Subsoil Use Agreement that relate to the transfer of the mining of certain levels of ore to future years. As a result, and if the amendments are granted, the obligation for mining in 2023 and 2024 will be equal to 16,500 tonnes of ore, 2025 to 2026 will be equal to 33,100 tonnes of ore, 2027 will be equal to 555,100 tonnes, 2028 will be equal to 1,102,300 tonnes and starting from 2029 1,653,400 tonnes of ore, per year. The request is in the process of review with the relevant authorities of the Kazakh government.

27 Contingencies

(a) Insurance

The insurance industry in the Kazakhstan is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally or economically available. The Group does not have full coverage for its plant facilities, business interruption or third party liability in respect of property or environmental damage arising from accidents on Group property or relating to Group operations. There is a risk that the loss or destruction of certain assets could have a material adverse effect on the Group's operations and financial position.

(b) Taxation

The taxation system in Kazakhstan is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions which are often unclear, contradictory and subject to varying interpretations by different tax authorities. Taxes are subject to review and investigation by various levels of authorities which have the authority to impose severe fines, penalties and interest charges. A tax year generally remains open for review by the tax authorities for five subsequent calendar years but under certain circumstances a tax year may remain open longer.

These circumstances may create tax risks in Kazakhstan that are more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

There are no tax claims or disputes at present.

28 Segment reporting

The Group's assets are primarily concentrated in the Republic of Kazakhstan and the Group's revenues are derived from operations in, and connected with, the Republic of Kazakhstan.

2025	Processing \$000	Subsoil \$000	Corporate \$000	Total \$000
Revenue	4,531	-	-	4,531
Cost of sales	(6,253)	-	-	(6,253)
Other income	69	-	1	70
Administrative expenses	(1,078)	(28)	(2,459)	(3,565)
Other expenses	(470)	-	(34)	(504)
Distribution expenses	(137)	-	-	(137)
Finance costs	(525)	-	(2,032)	(2,557)
Loss before tax	(3,863)	(28)	(4,524)	(8,415)
	Processing \$000	Subsoil \$000	Corporate \$000	Total \$000
2024				
Revenue	4,738	-	-	4,738
Cost of sales	(7,550)	-	-	(7,550)
Other income	49	-	1	50
Administrative expenses	(1,132)	(40)	(1,850)	(3,022)
Impairment charge	(954)	-	-	(954)
Other expenses	(541)	-	(22)	(563)
Distribution expenses	(149)	-	-	(149)
Finance costs	394	-	(2,373)	(1,979)
Loss before tax	(5,145)	(40)	(4,244)	(9,429)

Included in revenue arising from processing are revenues of US\$4,420,000 (2024: US\$4,500,000) which arose from sales to four of the Group's largest customers. No other single customer contributes 10 per cent or more to the Group's revenue.

All of the Group's assets are attributable to the Group's processing operations.

Notes to the Consolidated Financial Statements continued

Sales to the Group's largest customers in 2024 were as follows:

Customer A	US\$0.3m (8%) (2024: US\$1.5m (31%))
Customer B	US\$1.9m (52%) (2024: US\$1.9m (40%))
Customer C	US\$0.8m (19%) (2024: US\$nil (0%))
Customer D	US\$0.8m (19%) (2024: US\$0.7m (14%))

29 Related party transactions

Transactions with management and close family members

Management remuneration

Key management personnel received the following remuneration during the year, which is included in personnel costs (see Note 9):

	2025 \$000	2024 \$000
Wages, salaries and related taxes	1,074	1,053

The amount of wages and salaries outstanding at 31 December 2025 is equal to US\$nil (2024: US\$16,400).

30 Subsequent events

On 10 March 2026, the Company issued 28,621,701 shares raising gross proceeds of £1,574,193.55.

Company Information

Ferro-Alloy Resources Limited

Company Registration Number	63449
Registered Office	Maison Allaire Smith Street St Peter Port Guernsey GY1 2NG
Directors	Sir Mick Davis Nicholas Bridgen Andrey Kuznetsov William Callewaert Christopher Thomas Petrus Nienaber James Turian
Corporate Brokers	Shore Capital Stockbrokers Limited 57 St James's Street, Cassini House London, SW1A 1LD Panmure Liberum Limited Ropemaker Place, Level 12 25 Ropemaker Street London, EC2Y 9LY
Auditors	Crowe U.K. LLP 55 Ludgate Hill London, EC4M 7JW
Registrar	Computershare Investor Services (Guernsey) Limited 1 st Floor, Tudor House Le Bordage St Peter Port Guernsey, GY1 1DB
Financial Press Relations and Investor Relations	BlytheRay Limited 73 Watling Street London, EC4M 9BJ

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Ferro-Alloy Resources Limited

Maison Allaire
Smith Street
St Peter Port
Guernsey
GY1 2NG

www.ferro-alloy.com