Zanaga Iron Ore Company Limited – 2025 Annual Report and Accounts

TABLE OF CONTENTS

BUSINESS OVERVIEW 3

2025 HIGHLIGHTS AND EVENTS TO 30 JUNE 2026 3

CHAIRMAN'S STATEMENT 7

STRATEGIC REPORT 12

FINANCIAL REVIEW 20
RESERVES & RESOURCE STATEMENT 22
PRINCIPAL RISKS & UNCERTAINTIES 24
ENVIRONMENTAL, SOCIAL AND GOVERNANCE 30

CORPORATE GOVERNANCE 34

BOARD OF DIRECTORS 34
DIRECTORS' REPORT 36
CORPORATE GOVERNANCE REPORT 40
REMUNERATION REPORT 46
STATEMENT OF DIRECTORS' RESPONSIBILITIES 49

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZANAGA IRON ORE COMPANY LIMITED 50

FINANCIAL STATEMENTS 57

GLOSSARY 78

RESOURCE APPENDIX 79

RESERVE APPENDIX 94

ADVISORS 103

Business Overview

30 June 2026

2025 Highlights and events to 30 June 2026

Project Development Strategy

- Four targeted, high-impact initiatives were identified at the beginning of 2025. Throughout the year, the costing and feasibility of these initiatives were completed, delivering US$2.2 billion in cash cost savings[1].

  1) Direct Reduction Iron ("DRI") product quality test work:

  - Positive test work results confirming the ability of the Zanaga Iron Ore Project (the "Zanaga Project" or the "Project") to produce DRI grade pellet feed concentrate with low impurities:
    - Stage One (hematite) concentrate grade results: 68.5 %Fe, 1.05 %SiO_2, 0.47 %Al_2O_3, 0.034 %P
    - Stage Two (magnetite) concentrate grade results: 69.1 %Fe, 1.96 %SiO_2, 0.40 %Al_2O_3, 0.028 %P
  - Confirmation of DRI-grade pellet feed has increased the Project's revenue potential to US$11,325 million[1,2] over the life of mine.

  2) Pellet Plant Feasibility Study:

  - A feasibility study was completed to verify the likely costs to construct and operate both 2.5 Mtpa hot and 2.5 Mtpa cold pellet plants in the Republic of Congo.
  - While the Republic of Congo could be suitable, current market conditions are less competitive than those in other jurisdictions. The Group continues to explore locations near steel producers that offer lower-cost long-term gas and power tariffs to improve investment opportunities.

  3) Single Pipeline Feasibility Study:

  - A feasibility study was commissioned in Q2 2025 to evaluate the construction of a buried 30Mtpa pipeline as part of Stage One.
  - Total upfront capex for one pipeline is estimated at US$986 million, increasing Stage One capex by US$349 million but reducing total capex by US$357 million compared to a two-stage approach. A 30 Mtpa pipeline could eliminate the booster station and its fuel use, potentially cutting total operating costs by US$950 million over the mine's life.
  - While the incremental NPV impact is limited—higher Stage One cash investment offsets Stage Two savings—the Group sees strategic value in a single pipeline configuration and will keep evaluating it prior to a construction decision.

  4) Dry Tailings Management:

  - A study was initiated in Q2 2025 to revise the 2014 Feasibility Study tailings storage facility (“TSF”) design to align with international best practices.
  - Thickened tailings technologies offer more stable and efficient alternatives to conventional wet tailings by reducing water content before deposition, improving geotechnical performance, reducing environmental risks and increasing water recovery.
  - Thickened and dry tailings facilities compliant with global standards have the potential to reduce cash expenditure by US$1,280 million over the mine's life.

[1] Compared to 2024 feasibility study update for Stage Two (12+18Mpta expansion)

[2] Based on a DRI pricing case (65% Fe CFR China US$115/t, 68% Fe CFR China US$130/t)

Strategic fundraise and Glencore share buyback

- In March 2025, ZIOC completed an equity fundraise (the "2025 Fundraise") for gross proceeds of US$23.01 million, with a group of investors with significant experience in the mining industry, project and infrastructure development, and strong relationships in the Republic of Congo ("RoC").
- Use of the Proceeds from the 2025 Fundraise
    - US$15 million of the gross proceeds were used to repurchase, and subsequently cancel, Glencore's entire 43% equity shareholding in ZIOC, resulting in the termination of Glencore's Offtake Agreement and Relationship Agreement with the Group. This transaction with Glencore was a related party transaction for the purposes of the AIM Rules.

Strategic Investment in Zanaga Project

- In February 2026, ZIOC and its wholly owned subsidiary, Jumelles BVI Limited, signed a binding term sheet with Red Arc Minerals Inc ("RAM", a private investment company backed by leading mining industry executives and focused on the development of strategic-scale high-grade iron ore assets) for a proposed strategic investment in the Zanaga Project.
    - Tranche One investment of up to US$25 million in cash to advance the Zanaga Project to Final Investment Decision ("FID") and acquire an aggregate 20% interest in Jumelles (to be funded in five equal sub-tranches).
    - Tranche Two investment of US$125 million via a cash payment to ZIOC (at RAM's option) to acquire an incremental 67.5% fully diluted ownership of Jumelles from ZIOC (resulting in aggregate RAM ownership of Jumelles of 87.5%), exercisable within 18 months of completion of the full US$25 million Tranche One.
    - Royalty granted to ZIOC on the closing of Tranche Two of 1.0% of Net Sales Revenue ("NSR") on all iron ore concentrate sales from the Project, subject to a partial buy-back at RAM's option (US$50 million for 0.50%).
    - ZIOC and RAM are working on completing the transaction and, as was announced on 14 May 2026, are expecting to complete the transaction documentation by during July 2026.

April 2026 Economic Update

- The Group announced updated Project economics following completion of the project development strategy programme and the results of a technical and commercial evaluation of the process flowsheet for producing premium-quality DRI pellet feed concentrates. This update has increased confidence in the Project's economic prospects. The feasibility of producing DRI pellet feed at the mine demonstrates strong value creation, as shown below:

	April 2026 Economic Update	**Previous Studies**		**Change vs 2024 Feasibility Update**
Financial Metric	**2026[3] Based on DRI product**	**2024[4] Feasibility Study Update**	**2014[4] Feasibility Study**	%
Stage One				

[3] Based on a Fe Pricing Case (65% Fe US$115/t, DRI premium per % Fe of US$5/t above 65% Fe); including twin pipeline system, thickened and dry tailings technologies, DRI product quality, 12Mtpa filter plant and concentrate handling, and 12 Mtpa DRI hematite concentrator complex costing

[4] Based on a Fe Pricing Case (65% Fe US$115/t)

Capex (US$m)	2,174	1,935	2,196	+12.5%
NPV (US$m)	2,539	1,939	2,132	+30.9%
IRR (%)	22.5	21.4	22.9	+1.1%
Avg. Product Grade (%Fe)	68.5	65.9	65.9	+2.6%
Stage One and Two				
Expansion Capex (US$m)	+1,871	+1,871	+2,488	-
Combined NPV (US$m)	4,897	3,784	4,026	+29.4%
Combined IRR (%)	24.3	23.0	23.92	+1.3%
Avg. Product Grade (%Fe)	68.8	67.2	67.2	+1.6%

Moderate increase in April 2026 IRR due to a higher Stage One capital expenditure estimate.

2026 Equity Raise

- The Group raised aggregate gross proceeds of £5.7 million (approximately US$7.7 million) through a placing, subscription, and retail offer, issuing 142 million shares at 4 pence each ("2026 Equity Raise") with a settlement date of 22 May 2026. The placing was oversubscribed, showing strong investor confidence in the Group's strategy, progress, and future opportunities.

The net proceeds of the Capital Raising will be used to:

- progress the bulk sampling campaign, including earthworks and sampling;
- support Zanaga Project in-country overheads; and
- support ZIOC corporate overheads and general working capital requirements.

Board Appointments

- Strengthened leadership with key appointments
    - Martin Knauth, who was appointed as Chief Executive Officer in December 2023, was subsequently appointed to the Board on 9 April 2025, bringing over 30 years' international mining industry experience.
    - Phil Mitchell was appointed to the Board on 9 April 2025 as Non-Executive Director, representing Greymont Bay, bringing extensive strategic and financial expertise from his tenure at Rio Tinto and his current role at I-Pulse Group.

Initiatives and Key Partnerships

- Strategic Power Memorandum of Understanding ("Power MoU") was concluded in 2025
    - Power MoU: Signed with Centrale Électrique du Congo ("CEC") SA to assess the technical, economic, and legal aspects required for power generation and distribution for the Zanaga Project's needs for its Stage One operations
    - Approaches received from multiple parties interested in the development of the Zanaga Project. Discussions continue with various parties, and the Group will provide further updates in due course.

Corporate Facility

- Shard Merchant Capital Ltd ("SMC") block sale completed during April 2026 (the "SMC Block Sale"), raising gross proceeds of £172k, for working capital purposes.
- The equity subscription agreements ("Shard ESAs") are for the remaining 24.1 million ordinary shares in up to three tranches, with 99,038 shares still remaining from tranche 1, and 2 x 12 million ordinary shares available in the 2024 ESA for the remaining tranches.

- Following the 2026 Equity Raise, the Group has suspended the issuance of new Ordinary Shares to SMC until further notice.

Year-end cash balance

- Cash balance of US$1.28m as at 31 December 2025 and a cash balance of US$5.40m as at 30 June 2026.

Clifford Elphick, Non-Executive Chairman of ZIOC, commented:

"This was a transformational period for ZIOC and the Zanaga Project. Through a focused development strategy, the Group *strengthened Project economics, confirmed the ability to produce premium DRI-grade iron ore products, and advanced Zanaga's position as a strategically important future supplier to the low-carbon steel industry.*

"The period also included key corporate milestones, including the repurchase of Glencore's shareholding, as well as the post-period achievements of the strategic investment agreement with Red Arc Minerals and an oversubscribed equity raise, further strengthening the Group*'s platform for future development.*

"On behalf of the Board, I would like to thank our shareholders, employees, partners and the Government of the Republic of Congo for their continued support."

The Group will post its Annual Report and Accounts for the year ended 31 December 2025 ("2025 Annual Report and Accounts") to shareholders around 10 July 2026.

The 2025 Annual Report and Accounts will be available on the Group's website www.zanagairon.com today.

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About us:

Zanaga Iron Ore Company Limited (AIM ticker: ZIOC) is an iron ore exploration and development company, with its flagship asset being the 100% owned Zanaga Iron Ore Project, located in the Republic of Congo. The Government Mining Licence, Environmental Permit and Mining Convention are all in place for the Project.

The Zanaga Iron Ore Project is a globally significant asset with a 6.9 billion tonne resource and a 2.1 billion tonne reserve, targeting 30Mtpa production of high-grade DRI pellet feed with very low impurity levels. When fully developed, Stage One (12Mtpa) and Stage Two (18Mtpa expansion) together could establish Zanaga as one of the world's largest iron ore mines. With all key permits secured, Zanaga is well positioned to benefit from increasing demand for high-quality, low-impurity iron ore, supported by low operating costs and an efficient slurry pipeline to port.

In the context of the global transition towards lower-carbon steel production, the Zanaga Project is well positioned to become one of the largest producers of high-grade, premium DRI pellet feed iron ore concentrate.

The Zanaga Iron Ore Company Limited LEI number is 21380085XNXEX6NL6L23.

Chairman's Statement

Dear Shareholder,

The strategic investment by RAM into the Zanaga Project and proceeds from the 2026 Equity Raise have now provided the necessary funds to complete the Front End Engineering Design ("FEED") prior to an investment decision. We now have strong momentum from a supportive stakeholder base and intend to accelerate the 12Mtpa Stage-One project toward a construction decision in 2027.

Iron ore prices have remained robust for an extended period, and a strong outlook for premium, high-quality iron ore products positions the Zanaga Project as a strategic development asset.

Iron ore market

In 2025, the iron ore market saw major Australian producers shift toward lower-grade specs. The Platts Iron Ore Price Index (IODEX) averaged $102.37/dmt CFR China. Price volatility was narrower than in previous years. From 2026, IODEX shifted to a 61% Fe basis from 62% Fe, as declining quality and impurities made the old standard inadequate, with physical shipments now priced around 61% Fe.

India is set to emerge as a new growth engine for the steel industry, driven by infrastructure and real estate, achieving rapid expansion with an astonishing projected average annual growth rate of 10.5%. India's crude steel output is expected to reach 167 million tonnes in 2026 and 200 million tonnes by 2030.

With DRI emerging as the leading pathway for steel sector decarbonisation, a forecast supply deficit for DRI-grade iron ore signals an opportunity for new suppliers. Moves to grasp this opportunity are being led by producers in Canada, Brazil, and the Nordic region, and prospective developments across Africa.

Not all DRI producers have access to domestically sourced DRI-grade feedstock, and an increasing number of new plants are coming online without a dedicated local pellet supply. This trend will place additional pressure on the global seaborne market for DRI-grade iron ore. Most forecasts point to rising demand for DRI-grade material, and many studies suggest that a supply deficit is likely to widen beyond 2030.

BloombergNEF expects a DR-grade iron ore deficit of 15 million tonnes per annum (Mtpa) by 2030, widening to 133Mtpa by 2040. Midrex has also flagged a potential supply shortfall, of up to 16.4 Mtpa by 2034. This outlook presents significant challenges for DRI producers, while creating potential opportunities for emerging suppliers, including Zanaga.

Project Development Strategy

The Group completed its project value enhancement initiative, first announced on 18 March 2025. The workstreams have delivered significant value enhancement and strategic benefits across multiple areas of the Zanaga Iron Ore Project.

Detailed design and costing assessments were completed with industry experts across the following workstreams:

1) Product quality enhancements - Direct Reduced Iron test work
2) Pellet plant feasibility study
3) Single 30Mtpa capacity pipeline feasibility study
4) Thickened and dry tailings facility study

The completion of these workstreams has not only improved the economic potential of the Zanaga Project but has also established a robust engineering and design foundation as the Group progresses the Project.

Key Overall Economic Highlights reported in the table below in comparison to the previous feasibility model updated in 2024:

	Area	Outcome	Potential impact over 30 years life of mine	% Change
1.	Revenue Potential	Increases	US$11,325 million	16%
2.	Total Capital Expenditure	Reduces	US$352 million	(9)%
3.	Total Cash Cost	Reduces	US$2,235 million	(10)%
	a. Sustaining Capital Expenditure	Reduces	US$1,505 million	(39)%
	b. Operating Expenditure	Reduces	US$731 million	(4)%

Strategic fundraising and Glencore share buy-back

In March 2025, ZIOC successfully completed the buyback of Glencore's entire equity shareholding for US$15 million, thereby terminating the existing Relationship and Offtake Agreements. This pivotal transaction provided greater strategic autonomy and enabled new cornerstone investors to participate in the equity fundraise, which secured US$23.01 million in gross proceeds.

ZIOC's investors, notably Greymont Bay, led by industry veterans including Mark Cutifani, Tony Trahar, Tony O'Neill, and Phil Mitchell, alongside Gagan Gupta of Arise and Sir Mick Davis, bring world-class expertise and strategic relationships that are critical to advancing the Zanaga Project.

The acquisition of Glencore's shareholding and the successful equity fundraising have positioned us strongly, enhancing both our financial stability and strategic flexibility to advance the Zanaga Project towards a construction decision. This transaction, involving the repurchase and subsequent cancellation of Glencore's entire 43% equity shareholding in ZIOC and the termination of Glencore's Offtake Agreement and Relationship Agreement, was a related-party transaction for the purposes of the AIM Rules.

Strategic Investment in Zanaga Project

- In February 2026, ZIOC and its wholly owned subsidiary, Jumelles BVI Limited, signed a binding term sheet with RAM, a private investment company backed by leading mining industry executives and focused on the development of strategic-scale high-grade iron ore assets for a proposed strategic investment in the Zanaga Project.
    - Tranche One investment of up to US$25 million in cash to advance the Zanaga Project to FID and acquire an aggregate 20% interest in Jumelles (to be funded in five equal sub-tranches).
    - Tranche Two investment of US$125 million via a cash payment to ZIOC (at RAM's option) to acquire an incremental 67.5% fully diluted ownership of Jumelles from ZIOC (resulting in aggregate RAM ownership of Jumelles of 87.5%), exercisable within 18 months of completion of the full US$25 million Tranche One.
    - Royalty granted to ZIOC on the closing of Tranche Two of 1.0% of Net Sales Revenue ("NSR") on all iron ore concentrate sales from the Project, subject to a partial buy-back at RAM's option (US$50 million for 0.50% NSR).
- Rationale for the transaction structure

The Transaction, as envisaged, has been structured to achieve multiple objectives for ZIOC shareholders, which are summarised below:

1. Limiting dilution to ZIOC shareholders
    - The transaction envisaged would not result in direct dilution to ZIOC shareholders as it is an investment at the Jumelles subsidiary level and the Tranche One investment may only potentially be

converted into ZIOC shares by either ZIOC or RAM at 15 pence per share (and subject to certain conditions and restrictions).

2. Advance the Zanaga Project to FID
    - Tranche One is expected to fully fund the Project through FEED completion to FID, including capital available for contingency and continued Jumelles project working capital costs to cover the final financing negotiation phase of the Project post FEED.
3. Near-term path to significant floor price cash value (via Tranche Two payment)
    - If RAM exercises the Tranche Two option, US$125 million of cash will be received by ZIOC, which may be distributed to ZIOC shareholders in due course.
    - ZIOC intends to retain this cash on the Group's books until such time as the Zanaga Project FID is taken, in order to consider the attractiveness of investing it to retain an equity stake in the Zanaga Project going forward (such decision will depend on the project economics at the time of the Project's FID).
4. Optionality to retain 12.5% project ownership
    - The envisaged transaction has been structured to enable ZIOC to fully fund its pro-rata 12.5% share of an estimated US$1 billion total project equity contribution required from the final equity investors in the Project at construction.
    - In the event that ZIOC elects to fund such pro-rata 12.5% final equity contribution at construction, ZIOC would have retained a sizeable share of a fully financed strategic iron ore asset with highly attractive economics.
    - By way of illustration, if the Zanaga Project generates EBITDA of US$2 billion per annum in Stage Two, ZIOC's attributable share of such EBITDA would equate to US$250 million per annum.
5. Royalty upside to ZIOC shareholders only
    - The transaction structure envisages a 1% NSR royalty to be paid to ZIOC only (subject to a partial buy-back at RAM's option of US$50 million for 0.50%), which enables additional substantial value upside that is indifferent to the Project's economics.
    - ZIOC is not expected to need to invest further in the Zanaga Project to receive this annual royalty payment.
    - By way of illustration, based on a 1% NSR royalty if the Zanaga Project generates US$3,246 million of net sales revenue per annum in Stage Two, the NSR royalty payable to ZIOC would equate to US$32.5 million per annum.

April 2026 Economic Update

- Strategic Advancement to DRI Product

Following successful laboratory-scale DRI test work completed in mid-2025, ZIOC commissioned detailed conceptual and feasibility-level designs to refine capital and operating cost estimates to ±20% accuracy.

The updated development strategy incorporates:

- A modular 12Mtpa hematite concentrator complex consisting of three 4Mtpa lines
- A two-stage, 12Mtpa and 18Mtpa, pipeline system, with optional single 30Mtpa slurry pipeline system
- Thickened tailings storage facilities
- A 12Mtpa filter plant and covered concentrate handling facilities

The Group's DRI product strategy positions the Zanaga Project to benefit from:

- Increasing demand for premium iron ores, particularly DRI-grade iron ore
- Global steel sector decarbonisation via growth in Electric Arc Furnace ("EAF") steel production
- Firm positioning in the lowest cost quartile of iron ore producers

- Stage One Processing Facility Capital and Operating Cost Overview

The updated Stage One processing capital expenditure estimate (April 2026 Economic Update Case[5]) totals approximately US$753.7 million for processing, filtration, and concentrate handling facilities, contributing to a total expected Stage One capital requirement of US$2.17 billion[6].

Operating unit processing, filter plant and product handling costs for Stage One are estimated at US$11.97 per tonne of concentrate[7].

While Stage One processing operating costs and capital expenditure estimates have increased moderately compared with previous studies, the inclusion of DRI-grade product premiums significantly improves the Project's Stage One NPV by approximately 31% relative to the 2024 Feasibility Study Update. Refer to the April 2026 Economic Update table on pages 4 and 5.

Subscription Agreement with Shard Merchant Capital Ltd

ZIOC entered into a successful Subscription Agreement with Shard Merchant Capital Ltd ("SMC"), securing essential working capital funding. Details of the SMC Block Sale have also been reported on pages 5, 18 and 19.

2026 Equity Raise

The Group raised equity capital through a placing, subscription and retail offer of new ordinary shares of an aggregate of £5.7 million (approximately US$7.7 million).

The net proceeds of the Capital Raising will be used to:

- progress the bulk sampling campaign, including earthworks and sampling;
- support Zanaga Project in-country overheads; and
- support ZIOC corporate overheads and general working capital requirements.

RAM has agreed and signed a letter with the Group that it will refund the Group any expenses incurred in connection with the bulk sampling programme and Zanaga Project in-country overheads from 1 July 2026 up to a maximum of US$2 million.

Additional proceeds from the issue will be used to provide additional working capital headroom and further accelerate various workstreams related to the Zanaga Project.

The total number of Ordinary Shares in issue will be 991,101,694, and the total number of voting rights will therefore be 991,101,694. This figure may be used by shareholders as the denominator in the calculations they use to determine whether they are required to notify their interest in, or any change to their interest in, the share capital of the Group.

Corporate Developments

We welcomed Martin Knauth, Chief Executive Officer and Executive Director and Phil Mitchell as a Non-Executive Director to the Board, bolstering our leadership with extensive mining and development expertise critical for the Project's next phase.

[5] Stage Two process plant capital expenditure is estimated from 2024 Feasibility Study Cost Update
[6] 2024 Feasibility Study Update, estimated the total Stage One capital requirement as US$1.94 billion
[7] 2024 Feasibility Study Update, estimated the total Stage One processing cost of US$8.42 per tonne

Additionally, strategic MoU's were signed with CEC for robust and sustainable power solutions. These partnerships materially de-risk our project and pave the way for a reliable power supply.

Appointment of joint Corporate Broker

In December 2025, ZIOC appointed Tamesis Partners LLP as Joint Corporate Broker, alongside Panmure Liberum Limited, ZIOC's Nominated Advisor and Joint Broker, and Shard Capital Partners LLP, which is also a Joint Broker. The addition of Tamesis Partners to ZIOC's advisory team provides further support and additional resources as the Group looks to advance to the next stage of development on the Zanaga Project.

Cash Reserves and Project Funding

On 31 December 2025, the Group had cash reserves of US$1.28m. The Group had cash reserves of US$5.40m as of 30 June 2026.

Following completion of the 2025 Fundraise and 2026 Equity Raise, the Group is in a significantly improved financial position. Based on the current cost base at the Zanaga Project, the Board of Directors of ZIOC believes the Group will be well-positioned to support its operations in the near future.

The 2026 Equity Raise has removed any material uncertainty which could give rise to significant doubt over the Group's ability to continue as a going concern and, therefore, the Board believes that the Group will be able to realise its assets and discharge its liabilities in the normal course of business. The Board is satisfied that the Group will have sufficient funds to meet its own working capital requirements up to, and beyond, twelve months from the approval of these accounts.

The Group continues to review the costs of its operations and maintains cost discipline to conserve its cash resources. As part of such a review, and to preserve the Group's cash position, it was agreed on 15 May 2026 that US$888,134 in director fees from 1st February 2023 to 30th June 2026 had been converted into equity by the issuance of 16,426,239 new Ordinary Shares to the Director.

Outlook

With a strengthened financial position, strategic partnerships established, and substantial progress on key project enhancements, ZIOC is entering its most exciting phase toward the Final Investment Decision. We remain confident in the significant inherent value of the Zanaga Project and our strategic direction towards construction readiness.

Our investigations into opportunities to unlock existing infrastructure solutions and options to reduce the project's capital and operating costs have been a key focus for the team, along with efforts to find a strategic partner to develop the project. Following the investment from RAM, we have secured a strategic partner and look to further develop that partnership. We hope to provide an update on these initiatives in due course.

Clifford Elphick
Non-Executive Chairman

Strategic Report

Business Review

The Zanaga Project remains a unique, large-scale, tier-one asset with the flexibility to be developed in stages – minimising upfront capital expenditure and enabling self-financing to the 30 Mtpa production scale.

The Project team has dedicated significant effort to securing updated development costs for the flagship 30Mtpa project and is pleased with the results of the April 2026 Economic Update, which brings the cost estimates for the 30Mtpa Zanaga Project in line with current market pricing. ZIOC's Chinese EPC Partner, who led the April 2026 Economic Update process, also possesses substantial technical capabilities in iron ore process plant design and engineering, as well as unique technology expertise in iron ore processing.

The FEED work programme includes a number of other value-adding opportunities which the Group continue to vigorously investigate.

Project Development Strategy

Overview of project value enhancement workstreams

Throughout 2025, alongside other Project development activities, the Group completed a number of workstreams intended to improve construction, operations, strategic optionality and overall economics for the Zanaga Project.

Detailed design and costing assessments were completed with industry experts across the following workstreams:

1) Product quality enhancements - Direct Reduced Iron test work
2) Pellet plant feasibility study
3) Single 30Mtpa capacity pipeline feasibility study
4) Thickened and dry tailings facility study

The completion of these workstreams has not only improved the economic potential of the Zanaga Project but has also established a robust engineering and design foundation as the Group progresses the Project.

1) Product Quality Enhancements - DRI test work (previously announced)

During Q2 2025, the Group commissioned and completed a metallurgical laboratory test work programme to determine the Zanaga Project's ability to produce DRI-grade pellet feed concentrate across its full planned 30Mtpa production scale, including both Stage One (12Mtpa) and Stage Two (18Mtpa expansion).

Samples of the Zanaga Project resource were assembled from both hematite and magnetite zones, which are required for the Stage One and Stage Two phases of the Zanaga Project, respectively.

The primary test work, conducted in China, included laboratory analyses, and magnetic separation and flotation, and a separate independent confirmatory test work programme was completed in the United Kingdom. The 2014 Feasibility Study flowsheet was adjusted to optimise process steps and replace certain equipment.

Outcomes

- The test work confirmed the potential to produce DRI-grade pellet feed products from the Zanaga Project, as summarised below:

Product	**%Fe**	**%SiO_2**	**%Al_2O_3**	**%P**
Hematite concentrate	68.5	1.05	0.47	0.034

Magnetite concentrate	69.1	1.96	0.40	0.028

- Following updates to the Project flowsheet and expert consultation, ZIOC received indicative quotes for capital and operating costs to support engineering and financial modelling. These costs were confirmed and incorporated in the April 2026 Economic Update.
- Confirmation of DRI-grade pellet feed has increased the Project's revenue potential to US$11,325 million over the life of the mine.

2) Pellet Plant Feasibility Study

The Electric Arc Furnace ("EAF") share of global steel production is expected to increase from approximately 30% in 2025 to 50% by 2050 (equivalent to approximately 866Mtpa of additional output[8]). This shift in steel production towards EAF, driven by lower operating costs, greater efficiency, reduced emissions and global net-zero commitments, is expected to increase demand for DRI pellets for EAF-based steelmaking.

Following completion of laboratory-scale DRI testing and development of a revised flowsheet at concept level, the Group evaluated the potential addition of pelletising plants, including traditional induration (hot pelletising) and newer cold-pressing technologies.

Iron ore pellets are generally preferred over fines due to their physical and chemical properties, which can improve efficiency, productivity and environmental performance in steelmaking. These attributes support a premium for pellets. Accordingly, adding pelletising to the Zanaga value chain (mine → process → pipeline → filtering → pelletising) could potentially increase revenues by approximately US$38-48 per tonne[9], while also reducing environmental, handling and shipping risks.

A leading industry expert was appointed to leverage their direct experience in the pellet industry and complete this feasibility study, which assessed:

- A 2.5Mtpa pellet plant located in the Republic of Congo.
- Flowsheets and major equipment for hot and cold pelletising.
- Estimated direct and indirect capital expenditure, and operating costs, for each technology.

Outcomes

- The study verified the likely costs to construct and operate both hot and cold pellet plants.
- Marketing analysis indicates that premiums for DRI pellets are materially higher than those for standard pellets.
- While the Republic of Congo would be a suitable location, current domestic market conditions are less competitive than certain other jurisdictions.
- Regions closer to steel producers and offering lower-cost long-term gas and power tariffs may present improved investment opportunities and will be evaluated further.
- Potential partnerships with iron and steel producers will also be considered, which may reduce capital requirements and support a long-term customer base.

3) Single 30Mtpa Capacity Pipeline Feasibility Study

The Zanaga Project base case development plan included two separate pipelines to transport concentrate from the mine site to the port:

- Stage One: 12Mtpa capacity pipeline
- Stage Two: additional 18Mtpa capacity pipeline

A feasibility study was commissioned in Q2 2025 to evaluate the construction of a buried 30Mtpa pipeline as part of Stage One. The study covered design, hydraulics, electrical systems, construction schedule and costs, with benchmarking against comparable international projects.

[8] Source: AME Group June 2025

[9] Source: AME Group June 2025, DRI pellet premium over 68% Fe

Outcomes

- A single 30Mtpa pipeline system is environmentally, technically and economically feasible. A larger diameter would reduce friction losses.
- A single 30Mtpa pipeline provides significant strategic value, avoiding the need for construction of a second magnetite pipeline, reducing permitting complexity and environmental and community impacts.
- The single pipeline approach also removes brownfield expansion complexity (mechanical/electrical tie-ins), simplifying operations to a single instrumentation and asset management solution.
- Under the 2014 Feasibility Study (and re-costed in the 2024 Feasibility Study update), Stage One pipeline capex was estimated at US$637 million and Stage Two pipeline capex at US$706 million, totalling US$1,343 million across both stages.
- Following completion of the single 30Mtpa pipeline feasibility study, total upfront pipeline capex is estimated at US$986 million, implying an increase in Stage One capex of US$349 million, but a reduction in total capex of US$357 million compared to the two-stage approach.
- In addition, a single 30Mtpa pipeline would allow removal of the booster station and its associated fuel consumption, supporting a potential reduction in total operating costs of US$950 million over the life of mine.
- While the incremental NPV impact is expected to be limited (as higher Stage One cash investment offsets the time value of Stage Two savings), the Group considers the strategic value of a single pipeline configuration to be significantly positive, the Group will continue to investigate this option prior to a construction decision.

4) Thickened and Dry Tailings Study

Prior to 2025, a large wet tailings storage facility ("TSF") was planned for the Zanaga Project. Thickened or filtered tailings can reduce moisture content, lower long-term costs, enable a smaller and easier-to-operate TSF, and support progressive rehabilitation.

A study was initiated in Q2 2025 to revise the 2014 Feasibility Study TSF design to align with international best practice, including the Global Industry Standard on Tailings Management ("GISTM") and the Australian National Committee on Large Dams ("ANCOLD"). The study examined tailings discharge options, construction and operational plans, financial factors and synergies between mine infrastructure assets.

Outcomes

- Thickened tailings technologies offer more stable and efficient alternatives to conventional wet tailings by reducing water content before deposition, improving geotechnical performance, reducing environmental risks and increasing water recovery.
- Thickened and dry tailings facilities compliant with GISTM and other global standards have the potential to reduce cash expenditure by US$1,280 million over the life of the asset, comprising:

  a) a minor increase in capital expenditure of US$5 million.

  b) a reduction in total cash cost of US$1,285 million, comprising:

     i) a decrease in sustaining capital expenditure of US$1,505 million; and

     ii) an increase in operating costs of US$219 million.

Glencore exit and entry of a new investor group

In March 2025, ZIOC completed the 2025 Fundraise, raising gross proceeds of US$23.01m from a group of investors with significant experience in the mining industry, project and infrastructure development, and strong relationships in the Republic of the Congo. Key investors included:

- Greymont Bay with investors and advisors including Mark Cutifani, Tony Trahar, Tony O'Neill, Phil Mitchell, and Heeney Capital Resource Partners.

- Gagan Gupta, Founder and CEO of Arise
- Sir Mick Davis, a highly successful mining executive credited with listing, leading and building Xstrata into one of the largest diversified mining companies globally prior to its acquisition by Glencore in 2013

Use of the Proceeds from the 2025 Fundraising

- US$15 million of the gross proceeds used to repurchase, and subsequently cancel, Glencore's entire 43% equity shareholding in ZIOC, resulting in the termination of Glencore's Offtake Agreement and Relationship Agreement with the Group.
- The balance gross proceeds of US$8.01 million provided the Group with more than 12 months of corporate and project-level working capital expenditure. This enabled the advancement of a strategy to further enhance the Zanaga Project's robust economics.

As a condition of Greymont Bay's cornerstone subscription, an offtake agreement with Gulf Iron & Steel ("GIS") was entered into, providing marketing rights over 20% of the iron ore products from the Zanaga Project. GIS is a consortium of strategic industry entities seeking to develop integrated steel facilities supplied by high-grade pellet feed iron ore to the Americas and the Middle East.

This transaction, involving the repurchase and subsequent cancellation of Glencore's entire 43% equity shareholding in ZIOC and the termination of Glencore's Offtake Agreement and Relationship Agreement, was a related-party transaction for the purposes of the AIM Rules.

Strategic Investment in Zanaga Project

Principal terms of the envisaged Transaction (as set out in the Binding Term Sheet)

- Parties
  - Zanaga Iron Ore Company Limited
  - Jumelles BVI Limited, a wholly owned subsidiary of ZIOC
  - Red Arc Minerals Inc, a private investment company incorporated in the United States of America
- Tranche One - subscription for up to 20% of Jumelles for up to US$25 million to fund the Zanaga Project to FID

Subject to satisfaction of the relevant conditions (including due diligence, definitive documentation and shareholder approval), RAM has proposed to subscribe, in a series of primary issuances, for newly issued common shares in Jumelles (the "Jumelles Common Shares") representing in aggregate 20% of the outstanding Jumelles Common Shares for total cash consideration of US$25 million ("Tranche One").

Tranche One is proposed to be funded in five sub-tranches of US$5 million each, with each sub-tranche representing 4% of the outstanding Jumelles Common Shares. The first sub-tranche is expected to close as soon as reasonably practicable following completion of long-form transaction agreements, final due diligence, and the securing of ZIOC shareholder approval. Subsequent sub-tranches are expected to be completed over the following 18 months in accordance with the definitive documentation, with sub-tranches 1A, 1B and 1C being binding on RAM, sub-tranches 1D and 1E will be at RAM's option, and RAM having the right to accelerate the timing of subsequent sub-tranches.

- Tranche Two - RAM option to purchase a further 67.5% interest in the Zanaga Project from ZIOC for US$125 million

At RAM's election, RAM has the right, within 18 months following completion of the final Tranche One sub-tranche, to purchase, from ZIOC, additional Jumelles Common Shares for US$125 million in cash (Tranche Two), resulting in RAM holding an aggregate 87.5% fully diluted ownership of Jumelles.

- Exchange of shares

If on or after 30 June 2027, the conditions for each Tranche One sub-tranche closing have been satisfied, the Group, including Jumelles are not in breach of the agreement, and RAM does not complete each Tranche One and Tranche Two closings, the Group has the right to require RAM to exchange its Jumelles shares for Company shares at 15.0 pence per ZIOC share for the amount invested by RAM. RAM also has that right to require exchange of its shares in Jumelles for shares in the Company at that price after the expiry of three years from the date of the definitive documents, if the Group was entitled to but has not required RAM to exchange the Jumelles Shares. The Board has agreed not to invoke the Takeover Provisions in Article 33 of the Company's Articles of Association in respect of such conversion.

- Royalty (to ZIOC only)

Upon completion of any Tranche Two closing, ZIOC would be granted a 1.0% NSR royalty on net sales revenues from iron ore concentrate sales from the Zanaga Project by the relevant project-owning entity (the "Royalty").

Royalty payments (once payable) are proposed to be made semi-annually on 31 March and 30 September.

Jumelles would have the right to reduce the Royalty to 0.50% NSR upon payment to ZIOC of US$50 million in cash.

- Joint venture agreement and governance

The parties intend to enter definitive long-form documentation, including a joint venture agreement (the "JVA"), expected to govern, among other matters:

  - The terms of the joint venture and control/management of the Zanaga Project
  - Funding and work programmes
  - The composition of the Board of Jumelles and reserved matters
  - The annual budgeting process and approval framework
  - Information and reporting required for ZIOC's public disclosures

- Jumelles Board representation (indicative)
  - Following the initial closing: four directors (RAM nominated: two; ZIOC nominated: two)
  - Following RAM reaching 50.1% or more ownership (the "Governance Flip"): RAM may designate three directors and ZIOC one director (with ZIOC's director designation rights ceasing if ZIOC's ownership falls below 5%)

- Liquidity and project financing provisions (indicative)

Subject to the definitive documentation and relevant regulatory approvals, and following completion of Tranche One and Tranche Two, RAM would have certain rights to pursue a sale of Jumelles (subject to an equity valuation threshold) or to progress a financing constituting a final investment decision in respect of the Zanaga Project, with ZIOC and other equity holders required to participate on the terms set out in the definitive documentation.

- ZIOC equity issuance

From the closing of the first tranche until the expiry of the Tranche Two Option, RAM will be provided with a right to participate in any ZIOC equity raise, up to the minimum of the Heeney Capital or Red Arc Minerals related Concert Party holding, or 30% (less any shares taken up by a member of the Heeney Capital or the Red Arc Minerals related concert party).

- Conditions and other provisions

Completion of the Transaction will be subject to customary conditions for a transaction of this type, including confirmatory due diligence, approval by the Group's Board, shareholder approval, execution of definitive documentation and receipt of any required regulatory approvals.

- Exclusivity and Break Fee and Alternative Transaction Fee

The Binding Term Sheet includes exclusivity provisions through 30 June 2026 (subject to renewal mechanics for up to three 30-day extensions if RAM continues to pursue the transaction).

ZIOC has agreed to pay RAM a Break Fee of US$1,500,000 if it or its connected parties breach the exclusivity provisions in the Binding Term Sheet, or if it does not proceed to definitive documentation on terms that, in the aggregate, are no more onerous than those set out in the Binding Term Sheet. This fee will not be payable where definitive documents are executed, but the ZIOC shareholders do not approve the transaction.

In addition, where Break Fee has become payable or if an alternative transaction is announced prior to the meeting at which the approval of ZIOC shareholders is sought and the ZIOC shareholders do not approve the transaction and, definitive documents for an alternative transaction are executed within twelve months following the end of the exclusivity period (including any extensions thereof), then a further alternative transaction fee will be payable to RAM equal to 10% of the consideration under the alternative transaction.

- Timetable and next steps

It was announced on 14 May 2026 that the transaction documentation is expected to be finalised during July 2026.

A shareholder circular containing further details of the Transaction, together with a notice convening the EGM, will be published in due course.

Corporate initiatives update

The Group outlined its strategic objectives, including its intention to secure MoUs with several potential partners to advance the Zanaga Iron Ore Project. An update on the Power MoU workstream is provided below:

- Power MoU: signed with CEC SA to assess the technical, economic, and legal aspects required for power generation and distribution for the Zanaga Project's needs for its Stage One operations. CEC is a private power producer based in the Republic of Congo, owned by the Government of the Republic of Congo (80%) and Eni Congo (20%). With an installed capacity of 484 MW from its assets located in Côte Matève and Pointe-Noire, CEC currently supplies more than 70% of the country's electricity demand, benefitting from the vast gas resources developed by Eni Congo. Furthermore, CEC is uniquely positioned in the country to support the Zanaga Project to source its power requirement from hydroelectric and solar options.
- Following the completion of the acquisition of Glencore's shareholding in ZIOC in March 2025, a number of potential strategic partners have approached ZIOC with an interest in participating in the development of the Zanaga Project. Discussions continue, and the Group will provide further updates in due course.

2026 Equity Raise detail

As reported in the Chairman's statement, the Group initially sought to raise US$5.6 million; however, due to strong institutional investor demand, the Group agreed with the Joint Bookrunners to increase the size of the equity raise.

Additional proceeds from the issue will be used to provide additional working capital headroom and further accelerate various workstreams related to the Zanaga Project.

- Background to the Capital Raising and Use of Proceeds

The Group is the owner of the Zanaga Iron Ore Project, a large-scale iron ore asset located in the Republic of Congo, for which a mining licence has been granted, and extensive technical work has been completed.

The Group has continued to maintain the Project in good standing while advancing workstreams to de-risk future development pathways and enhance the Project's attractiveness to potential strategic partners. Key milestones recently include the successful confirmation of Direct Reduced Iron product quality, the confirmation of premium-grade DRI pellet feed concentrate production, the single 30 Mtpa pipeline

feasibility study, the costing and feasibility of thickened and dry tailings facilities, and the DRI hematite process plant re-costing study. The Project is now expected to deliver a combined Stage 1 and Stage 2 post-tax NPV of approximately US$4.9 billion at an Internal Rate of Return of approximately 24.3%.

The key next step in this process is the progression of a bulk sampling programme designed to generate representative material for further metallurgical testing and product specification work. ZIOC intends to commence bulk sampling activities by 30 June 2026. To meet this commitment, the Group's cash position requires strengthening to enable, at a minimum, the completion of the bulk sampling programme. The bulk sample activity has a budget of approximately US$1.6 million and requires the mobilisation of contractors and the procurement of fuel and associated services, with funding planned to be disbursed in May 2026 to enable objectives of on-site activities during June 2026.

The directors believe that progressing bulk sampling is a critical, value-accretive step in the staged advancement of the Project and that the proposed fundraise is necessary to meet existing plans, preserve asset value, and maintain strategic momentum.

- **Work Programme to Final Investment Decision**

The Group continues to maintain a clear roadmap from February 2026 through to H2 2027 to achieve the FID milestone for the Project.

- **Red Arc Minerals Strategic Investment Summary, Update and Related Party Transaction**

As announced on 10 February 2026, ZIOC and its wholly owned subsidiary, Jumelles have signed the Binding Term Sheet for a proposed strategic investment by RAM in the Group's Zanaga Iron Ore Project.

The Board is pleased with the continued progress of the proposed strategic investment by RAM announced on 10 February 2026, with a number of key conditions now satisfied or well advanced. Based on the current timetable and subject to the satisfaction or, where applicable, waiver of the remaining conditions, the Group and RAM continue to work towards finalisation of binding transaction agreements and completion of technical due diligence.

Once the binding transaction agreements are entered into, completion will be conditional upon shareholder approval and any required regulatory approvals. A shareholder circular containing further details of the transaction, together with a notice convening the EGM, will be published in due course following the execution of the definitive documents.

The directors remain confident in the strategic rationale of the transaction and the value it is expected to deliver for shareholders. Further updates will be provided as appropriate.

RAM has agreed and signed a letter with the Group that it will refund ZIOC any expenses incurred in connection with the bulk sampling programme and Zanaga Project in-country overheads from 1 July 2026 up to a maximum of US$2.00 million (the "Side Letter"). There can be no certainty that the Transaction with RAM will be completed.

RAM is controlled by Heeney Capital and Sir Mick Davis, who are related parties of ZIOC for the purposes of the AIM Rules by virtue of being associates of a Substantial Shareholder of ZIOC. Heeney Capital controls and makes all investment decisions for Greymont Bay I LLC and Regatta HCRP I LP, which, in aggregate, own 25.26% of ZIOC's issued share capital. Therefore, RAM is a related party of ZIOC for the purposes of the AIM Rules.

The entry into the Side Letter with RAM is a related party transaction for the purposes of the AIM Rules for Companies. The Group's independent directors, being all of the directors with the exception of Philip Mitchell, who is a representative of Greymont Bay, following due and careful consideration and in consultation with the ZIOC's Nominated Adviser, Panmure Liberum Limited, consider the terms of the Side Letter to be fair and reasonable insofar as all shareholders of the Group are concerned.

Subscription Agreement with Shard Merchant Capital Ltd

The Group entered a new 2024 ESA with SMC on 1 July 2024.

An overview of the two ESAs that were active during 2024 is provided below:

- 2024 ESA: Under the Subscription Agreement, ZIOC can issue, and SMC will then subscribe for up to 36 million ordinary shares of no-par value in ZIOC ("Subscription Shares") in three tranches of 12 million shares each (the First tranche was issued immediately on 1 July 2024).

- 2025: For the first tranche, at the beginning of 2025, there were 3,699,046 shares outstanding. During 2025, 400,000 shares from the 2024 ESA were sold, leaving 3,299,046 at the end of 2025, with an average price of 8.38p, equating to £276,460.

SMC Block Sale completed during April 2026, raising gross proceeds of £172k for working capital purposes.

- The equity subscription agreements (“Shard ESAs”) are for the remaining 24.1 million ordinary shares in up to three tranches, with 99,038 shares still remaining from tranche 1, and 2 x 12 million ordinary shares available in the 2024 ESA for the remaining tranches.

- Following the 2026 Equity Raise, the Group has suspended the issuance of new Ordinary Shares to SMC until further notice.

Next Steps

For 2026, the Project Team set out to focus on engaging with our selected partner to complete the FEED for the Stage One of the Zanaga Project, while working toward completing the investment by RAM, and continuing to support the initiative to secure strategic partners interested in the development of the Project.

Financial Review

Results from operations

The financial statements contain the results for the Group's sixteenth full year of operations following its incorporation on 19 November 2009. The Group made a total comprehensive loss in the year of US$7.2m (2024: total comprehensive loss US$2.3m). The total comprehensive income for the year comprised:

	2025	2024
	US$000	US$000
General expenses	**(7,148)**	(2,311)
Interest received	**39**	-
Net foreign exchange gain / (loss)	**50**	17
Profit / (Loss) before tax	**(7,059)**	(2,294)
Other comprehensive income (OCI)	**(161)**	-
Total comprehensive income / (loss)	**(7,220)**	(2,294)

General expenses of US$7.3m (2024: US$2.3m) consists of Administration expenditure in Congo of US$2.1m (2024: US$1.2m), director fees US$0.2m (2024: US$ Nil), Investor Relations including funding arrangement fees US$2.4m (2024: US$ Nil), technical fees US$1.3m (2024: US$0.5m), and US$1.1m (2024: US$0.7m) of other general operating expenses.

Financial Position

ZIOC's Net Asset Value ("NAV") of US$86.5m (2024: US$85.5m) comprises of US$85.3m of exploration and evaluation assets, US$0.5m of PPE, US$1.3m (2024: US$0.1m) of cash balances and US$0.5m (2024: US$0.4m) of other net current liabilities.

	2025	2024
	US$000	US$000
Exploration and evaluation assets	**85,300**	85,300
PPE	**477**	555
Cash	**1,276**	110
Remaining current liabilities	**(539)**	(423)
Net assets	**86,514**	85,542

Subscription Agreement concluded with Shard Merchant Capital Ltd

The funding enabled ZIOC to fully repay its remaining US$744,000 loan to Glencore on 10 July 2024, leaving the Group debt-free from that date onward.

At the start of 2025, 3.7 million shares from the first tranche remained outstanding. During 2025, SMC sold 400,000 of these shares, leaving 3.3 million shares outstanding at year-end. Based on an average share price of 8.38p, the remaining shares were valued at approximately £276,000 (around US$371,000). The 400,000 shares sold during 2025 raised about £38,000 (around US$51,000).

Under the ESA, SMC was required to use reasonable efforts to place the subscribed shares and remit 95% of the gross sale proceeds to ZIOC.

Net Cash flow

Cash balances increased by US$1.167m during 2025 (2024: decrease of US$0.811m). Operating activities utilised US$5.4m (2024: US$1.2m). The Group raised funds of US$23.19m (2024: US$2.02m) from share issuance during the year including US$ Nil (2024: US$0.02m) from the chairman. From these funds, Glencore were repaid US$15.00m with respect to the buy-back arrangement with detail of these transactions set out in the notes to the Financial Statements.

Fundraising activities

The fundraising activities carried out in 2025, totalling US$23.19m (2024: US$Nil), were the equity raise. And from the SMC facility, US$0.01m (2024: US$2.02m) was raised.

Reserves & Resource Statement

The Zanaga Project has defined a 6.9 billion tonne Mineral Resource and a 2.1 billion tonne Ore Reserve, reported in accordance with the JORC Code (2012) unaudited by MHA, and defined from only 25km of the 47km strike length of the orebody so far identified.

Ore Reserve Statement

The Ore Reserve estimate (announced by the Group on 5 May 2021) was prepared by independent consultants, SRK Consulting (UK) Ltd ("SRK") and is based on the 30Mtpa Feasibility Study and the 6,900Mt Mineral Resource (announced by the Group on 8 May 2014).

As stipulated by the JORC Code, Proven and Probable Ore Reserves are of sufficient quality to serve as the basis for a decision on the development of the deposit. Based on the studies performed, the mine plan as reported in the 2014 FS was reassessed with respect to the updated sales revenue, operating expenditure, and capital expenditure, and was confirmed as of 31 December 2020 to be technically feasible and economically viable.

Ore Reserve Category	Tonnes (Mt_{Dry})	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)
Proved	774	37.3	35.1	4.7	0.04
Probable	1,296	31.8	44.7	2.3	0.05
Total	**2,070**	**33.9**	**41.1**	**3.2**	**0.05**

Notes:

Long term price assumptions are based on a CFR IODEX 65%Fe forecast of US$90tdry (USc138/dmtu) with adjustments for quality, deleterious elements, moisture and freight.

Discount Rate 10% applied on an ungeared 100% equity basis

Mining dilution ranging between 5% and 6%

Mining losses ranging between 1% and 5%

Note: The full Ore Reserve Statement is available on the Group*'s website (www.zanagairon.com)*

Mineral Resource

Classification	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	Mn (%)	LOI (%)
Measured	2,330	33.7	43.1	3.4	0.05	0.11	1.46
Indicated	2,460	30.4	46.8	3.2	0.05	0.11	0.75
Inferred	2,100	31	46	3	0.1	0.1	0.9
Total	**6,900**	**32**	**45**	**3**	**0.05**	**0.11**	**1.05**

Reported at a 0% Fe cut-off grade within an optimised Whittle shell representing a metal price of 130 USc/dmtu. Mineral Resources are inclusive of Reserves. A revised Mineral Resource, prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012 Edition) was announced on 8 May 2014 and is available on the Group*'s website (www.zanagairon.com).*

Note: The figures shown are rounded; they may not sum to the subtotals shown due to the rounding used.

The Mineral Resource was estimated as a block model within constraining wireframes based upon logged geological boundaries. Tonnages and grades have been rounded to reflect appropriate confidence levels and for this reason may not sum to totals stated.

Geological Summary

The Zanaga iron ore deposit is located within a North-South oriented (metamorphic) Precambrian greenstone belt in the eastern part of the Chaillu Massif in Southwestern Congo. From airborne geophysical survey work, and morphologically, the mineralised trend constitutes a complex elongation in the North-South direction, of about 47 km length and 0.5 to 3 km width.

The ferruginous beds are part of a metamorphosed, volcano-sedimentary Itabirite/banded iron formation ("BIF") and are inter-bedded with amphibolites and mafic schists. It exhibits faulted and sheared contacts with the crystalline basement. As a result of prolonged tropical weathering the BIF has developed a distinctive supergene iron enrichment profile.

At surface there is sometimes present a high-grade ore (+60% Fe), classified as canga, of apparently limited thickness (<5m) capping a discontinuous, soft, high grade, iron supergene zone of structure-less

hematite/goethite of limited thickness (<7m). The base of the high-grade supergene iron zone grades quickly at depth into a relatively thick, leached, well-weathered to moderately weathered friable hematite Itabirite with an average thickness of approximately 25 metres and grading 45-55% Fe.

The base of the friable Itabirite zone appears to correlate with the moderately weathered/weakly weathered BIF boundary, and fresh BIF comprises bands of chert and magnetite/grunerite layers.

Competent Persons

The statement in the report relating to Ore Reserves is based on information compiled by Dr Iestyn Humphreys, FIMM, AIME, PhD who is a Corporate Consultant, and Practice Leader with SRK. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012). The Competent Person, Dr Iestyn Humphreys, confirms that the Ore Reserve Estimate is accurately reproduced in this announcement and has given his consent to the inclusion in the report of the matters based on his information in the form and context within which it appears.

The information in the report that relates to Mineral Resources is based on information compiled by Malcolm Titley, BSc MAusIMM MAIG, of CSA Global (UK) Ltd. Malcolm Titley takes overall responsibility for the report as Competent Person. He is a Member of the Australasian Institute of Mining and Metallurgy ("AUSIMM") and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the JORC Code. The Competent Person, Mr Malcolm Titley, has reviewed this Mineral Resource statement and given his permission for the publication of this information in the form and context within which it appears.

Definition of JORC Code

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012) 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.

Principal Risks & Uncertainties

The principal business of ZIOC currently comprises managing ZIOC's interest in the Zanaga Project, including the Jumelles group, and monitoring the development of the Project and engaging in discussions with potential investors. The principal risks facing ZIOC are set out below. Risk assessment and evaluation is an essential part of the Group's planning and an important aspect of the Group's internal control system. Overall, these potential risks have remained broadly constant over the past year.

Risks relating to iron ore prices, markets and products

The ability to raise finance for the Project largely depends on movements in iron ore prices. Iron ore prices have historically been volatile and are primarily affected by demand for and prices of steel and the level of iron ore supply. Such prices are also affected by numerous other factors beyond the Group's control, including the relative exchange rate of the U.S. dollar against other major currencies, global and regional demand, political and economic conditions, production levels and costs, and transportation costs in major iron ore-producing regions.

While it appears that there has been some degree of stabilisation in global iron ore prices, the duration of this stabilisation remains uncertain. The level of iron ore prices in the global market remains uncertain. Although the 2014 FS identifies the product from the Project and the potential demand for such product within a range of iron ore prices, there are no assurances that the demand for the Project's product will be sufficient in quantity or in price to ensure the economic viability of the Project or to enable finance for the development of the Project to be raised. Furthermore, the range of iron ore prices in the 2014 FS will need to be reviewed to reflect changed market conditions and expectations regarding iron ore supply and demand. Such risk is reviewed constantly, and any relevant changes are considered.

Risks relating to financing the Zanaga Project

Any decision of the Group to proceed with the construction of the mine and related infrastructure (or any variant such as a low capital cost, small-scale start-up EPP Project) is itself dependent upon the ability of the Group to raise the necessary debt and equity to finance such construction and the initial operation of the mine (or any variant such as a low-cost small-scale start-up). The Group may be unable to obtain debt and/or equity financing in the required amounts, in a timely manner, on favourable terms, or at all, and, should this occur, it is highly likely to pose challenges to the proposed development of the Zanaga Project and the proposed timeline for its development. Moreover, the current poor global equity and credit environment may pose additional challenges to the Group's ability to secure equity or debt finance, or to do so on acceptable terms, including with respect to interest rates. Current volatile global market conditions and increasing political and geopolitical tensions could also adversely impact the ability to finance the Zanaga Project. Such risk is reviewed constantly, and any relevant changes are considered.

Risks relating to financing of the Group

The Group will not generate any material income until an operating stage of the Project has been constructed and mining and export of the iron ore has successfully commenced at commercial volumes. In the meantime, the Group will continue to expend its cash reserves. Should the Group seek to raise additional finance, it may be unable to obtain debt and/or equity financing in the amounts required, in a timely manner, on favourable terms or at all.

If construction of the mine and related infrastructure proceeds (including any preparatory steps associated with the construction of the mine and related infrastructure) or any small scale start-up proceeds, and the Group elects to fund its pro rata equity share of construction capital expenditure, there is no certainty as to its ability to raise the required finance or the terms on which such finance may be available.

If ZIOC raises additional funds (including for the purpose of funding the construction of the Project or any part of the Project, including any small-scale start-up) through further issuances of securities, the holders of ordinary shares could suffer significant dilution, and any new securities that the Group issues could have rights, preferences and privileges superior to those of the holders of the ordinary shares.

If the Group fails to generate or obtain sufficient financial resources to develop and operate its business, this could materially and adversely affect the Group's business, results of operations, financial condition and prospects. Current negative global market conditions and increasing political and geopolitical tensions could also adversely impact the ability to finance the Group. Such risk is reviewed constantly and any relevant changes considered.

Risk relating to Ore Reserve estimation

Ore Reserve estimates include diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These recent assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserve estimates are by their nature imprecise and depend, to a certain extent, upon statistical inferences and assumptions which may ultimately prove unreliable. Estimated mineral reserves or mineral resources may also have to be recalculated based on changes in iron ore or other commodity prices, further exploration or assessment or development activity and/or actual production experience. Such risk is reviewed constantly and any relevant changes considered.

Host country related risks

The operations of the Zanaga Project are located mainly in the Republic of the Congo (RoC). These operations will be exposed to various levels of political, regulatory, economic, taxation, environmental and other risks and uncertainties. As in many other countries, these (varying) risks and uncertainties can include, but are not limited to: political, military or civil unrest; fluctuations in global economic and market conditions impacting on the economy; terrorism; hostage taking; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; nationalisation; changes in taxation; illegal mining; restrictions on foreign exchange and repatriation. In addition, the RoC is an emerging market and, as a result, is generally subject to greater risks than in the case of more developed markets.

HIV/AIDS, malaria and other diseases are prevalent in the RoC and, accordingly, the workforce of the ZIOC group, which includes the Jumelles group, will be exposed to the health risks associated with the country. The operating and financial results of such entities could be materially adversely affected by the loss of productivity and increased costs arising from any effect of HIV/AIDS, malaria and other diseases on such workforce and the population at large.

Weather conditions in the RoC can fluctuate severely. Rainstorms, flooding and other adverse weather conditions are common and can severely disrupt transport in the region where the Jumelles group operates and other logistics on which the Jumelles group is dependent.

The host country related risks described above could be relevant both as regards day-to-day operations and the raising of debt and equity finance for the Project. The occurrence of such risks could have a material adverse effect on the business, prospects, financial condition and results of operations of the Group and/or the Jumelles group. Such risk is reviewed constantly and any relevant changes considered.

Risks relating to the Project's licences and the regulatory regime

The Project's Mining Licence was granted in August 2014, and a Mining Convention has been entered into. With effect from 20 May 2016, the Zanaga Mining Convention has been promulgated as a law of the RoC, following ratification by the Parliament of the RoC and publication in the Official Gazette.

The holder of a mining licence is required to incorporate a Congolese company to be the operating entity, and the Congolese Government is entitled to a free participatory interest in projects which are at the production phase. This participation cannot be less than 10%. Under the terms of the Mining Convention, there is a contingent statutory 10% free participatory interest in favour of the Government of the RoC as regards the mine operating company and a contingent option for the Government of the RoC to buy an additional 5% stake at market price.

The granting of required approvals, permits and consents may be withheld for lengthy periods, not given at all, or granted subject to conditions which the Jumelles group may not be able to meet or which may be costly to meet. As a result, the Jumelles group may incur additional costs, losses or lose revenue and its business, result of operations, financial condition and/or growth prospects may be materially adversely affected. Failure to obtain, renew, enforce or comply with one or more required approvals, permits and consents could have a material adverse effect on the business, prospects, financial condition and results of operations of the Group. Mitigation of such risks is in part dependent upon the terms of the Mining Convention and compliance with its terms. Such risk is reviewed constantly and any relevant changes considered.

Transportation and other infrastructure

The successful development of the Project (including any low-cost small-scale start-up) depends on the existence of adequate infrastructure and the terms on which the Project can own, use or access such infrastructure. The region in which the Project is located is sparsely populated and difficult to access. Central to the Zanaga Project becoming a commercial mining operation is access to a transportation system through which it can transport future iron ore product to a port for onward export by sea. In order to achieve this, it will be necessary to access an export facility at Pointe-Indienne, which is still to be constructed, or some other exit port in the case of a low-cost small-scale start-up.

Following the publication of the 2024 FS Update, confirmation and support was received from RoC that the Group may partner directly with other logistics and power Companies to solve the port and power infrastructure challenges.

The MOU now in place with Arise allows for the advance of engineering, design and operating agreement processes to commence, the schedule of which is aligned with the Group's Project schedule.

Failure to construct the proposed pipeline and/or facilities at the proposed new port and/or other needed infrastructure or a failure to obtain access to and use of the proposed new port and/or other needed infrastructure or a failure to do this in an economically viable manner or in the required timescale could have a material adverse effect on the Project.

In the case of a low-cost small scale start-up, failure to put in place the necessary logistical requirements (including trucking, rail transportation and port facilities) and/or other needed infrastructure or a failure to obtain access to and use of the proposed logistical requirements or a failure to do this in an economically viable manner or in the required timescale could have a material adverse effect on the Project.

Similarly with the development of an export facility, the Group has agreed an MOU with Centrale Electrique du Congo ("CEC") in Pointe-Noire, to explore and define power solutions and tariff profiles for both Stage

One and Stage Two between existing gas-fired generation and in partnership with other, hydroelectric and solar hybrid systems.

Likewise, with Arise for the export facility, CEC's schedule is aligned with the Group's Project schedule.

The availability of reliable and continuous delivery of sufficient quantity of power to the Project at an affordable price will also be a significant factor on the costs at which iron ore can be produced and transported to any proposed exit port and will impact on the economic viability of the Project.

Reliable and adequate infrastructure (including an outlet port, roads, bridges, power sources and water supplies) are important determinants which affect capital and operating costs and the ability of the Jumelles group to develop the Project, including any low-cost small-scale start-up. Failure or delay in putting in place or accessing infrastructure needed for the development of the Zanaga Project could have a material adverse effect on the business, prospects, financial condition and results of operations of the Group and/or the Jumelles group. Such risk is reviewed constantly and any relevant changes considered.

Risks associated with access to land

Pursuant to the laws of the RoC, mineral deposits are the property of the government with the ability to purchase surface rights. Generally speaking, the RoC has not had a history of native land claims being made against the state's title to land. There is no guarantee, however, that such claims will not occur in the future and, if made, such claims could have a deleterious effect on the progress of development of the Project and future production.

The Mining Convention envisages that the RoC will carry out a process to expropriate the land required by the Zanaga Project and place such land at the disposal of the holder of the Mining Licence in order to build the mine and the infrastructure, including the pipeline, required for the realisation of the Zanaga Project. This means that the rights of the Jumelles company which holds the Mining Licence to the relevant land will be subject to negotiation between the Congolese government and such company. Alternatively, if the land is not declared DUP (i.e. is expropriated by the State under its sovereign powers) then the Jumelles group will have to reach agreement with the local land owners which may be a more time consuming and costly process. Such risk is reviewed constantly and any relevant changes considered.

Risks relating to timing

Any delays in (i) obtaining rights over and access to land and infrastructure; (ii) obtaining the necessary permits and authorisations; (iii) the construction or commissioning of the mine, the pipeline or facilities at or offshore an exit port or power transmission lines or other infrastructure; or (iv) negotiating the terms of access to the exit port and supply of power and other infrastructure (including an offshore loading facility); or (v) raising finance to fund the development of the mine and associated infrastructure, could prevent altogether or impede the development of the Zanaga Project, including the ability of the Zanaga Project to export its future iron ore products whether on the anticipated timelines or at projected volumes and costs or otherwise. Such delays or a failure to complete the proposed infrastructure or the terms of access to infrastructure or to do this in an economically viable manner, could have a material adverse effect on the business, results of operations, financial condition and prospects of the Group. Such risk is reviewed constantly and any relevant changes considered.

Environmental risks

The operations and activities of the Zanaga Project are subject to potential risks and liabilities associated with the pollution of the environment and the disposal of waste products that may occur as a result of its mineral exploration, development and production, including damage to preservation areas, over-exploitation and accidental spills and leakages. Such potential liabilities include not only the obligation to remediate environmental damage and indemnify affected third parties, but also the imposition of court judgments, administrative penalties and criminal sanctions against the relevant entity and its employees and executive officers. Awareness of the need to comply with and enforcement of environmental laws and regulations continues to increase. Notwithstanding precautions taken by entities involved in the development of the

Project, breaches of applicable environmental laws and regulations (whether inadvertent or not) or environmental pollution could materially and adversely affect the financial condition, business, prospects and results of operations of the Group. Such risk is reviewed constantly and any relevant changes considered.

Health and safety risks

The Jumelles part of the ZIOC group is required to comply with a range of health and safety laws and regulations in connection with its business activities (including laws and regulations relating to the COVID-19 pandemic) and will be required to comply with further laws and regulations if and when construction of the Project commences and the mine goes into operation. A violation of health and safety laws relating to the Jumelles group and/or the Project's operations, or a failure to comply with the instructions of the relevant health and safety authorities, could lead to, amongst other things, a temporary shutdown of all or a portion of the business activity of the Jumelles group and/or the Project's operations or the imposition of costly compliance measures. Where health and safety authorities and/or the RoC government require the business activity of the Jumelles group and/or the Project to shut down or reduce all or a portion of its activities of operations or to implement costly compliance measures, whether pursuant to applicable health and safety laws and regulations, or the more stringent enforcement of such laws and regulations, such measures could have a material adverse effect on the financial condition, business, prospects, reputation and results of operations of the Group. Such risk is reviewed constantly and any relevant changes considered.

Risks relating to third party claims

Due to the nature of the operations to be undertaken in respect of the development of the Zanaga Project, there is a risk that substantial damage to property or injury to persons could be sustained during such development. Any such damage or injury could have a material adverse effect on the financial condition, business, prospects, reputation and results of operations of the Group. Such risk is reviewed constantly and any relevant changes considered.

Risks relating to outsourcing

The 2014 FS envisages that certain aspects of the Zanaga Project will be carried out by third parties pursuant to contracts to be negotiated with such third parties. Any low-cost small-scale start-up is also likely to involve the undertaking of various key elements of the Project by third parties. There is a risk that agreement might not be reached with such third parties or that the terms of any such agreement are more stringent than currently anticipated; this could adversely impact upon the Project and/or the proposed timescale for carrying out the Project. Such risk is reviewed constantly and any relevant changes considered.

Fluctuation in economic factors

In terms of currency exchange rates, the Jumelles group's functional and reporting currency is the U.S. dollar, and most of its in-country costs are and will be denominated in CFA francs and Euros. Consequently, the Jumelles group must translate the CFA franc and Euro denominated assets and liabilities into U.S. dollars. To do so, non-U.S. dollar denominated monetary assets and liabilities are translated into U.S. dollars using the closing exchange rate at the reporting period end date. Consequently, increases or decreases in the value of the U.S. dollar versus the Euro (and consequently the CFA franc) and other foreign currencies may affect the Jumelles group's financial results, including its assets and liabilities in the Jumelles group's balance sheets. These factors will affect the financial results of the Group. In addition, ZIOC holds the majority of its funds in Pounds Sterling, and incurs the majority of its corporate costs in Pounds Sterling, but its contributions to funding the Jumelles group are calculated in U.S. dollars. Consequently, any fluctuation in exchange rates between Pounds Sterling versus the U.S. dollar or the Euro, could also adversely affect the financial results of the Group. Furthermore, current fluctuations in inflation, interest rates, and supply chain reliability has the potential to adversely impact the Group today, while also potentially adversely impacting the economic viability of the Zanaga Project, as well as the ability to secure finance for the development of the Zanaga Project. Such risks are reviewed constantly and any relevant changes considered.

Cash resources

The Group has limited cash resources. Although the Group has taken steps to conserve and replenish its cash resources, there is a risk that a shortage of such cash resources will adversely affect the Group. Such shortage could result in further expenditure cuts being introduced by the Group, both in its internal and its external operations. Volatile and uncertain economic global conditions in means that there can be no certainty as to when the Zanaga resource is likely to be developed. The challenging economic conditions as well as difficulties of monetising this resource given its location impact upon the ability of the Jumelles group to raise new finance for the Project as well as on the Group's ability to raise new finance for itself. The Group's existing cash resources may continue to come under increasing pressure unless a more predictable investment, and trading climate materialises in the foreseeable future which benefits the Project and the Group can take steps which result in an improvement of its financial position. Such risk is reviewed constantly and any relevant changes considered.

Environmental, Social and Governance

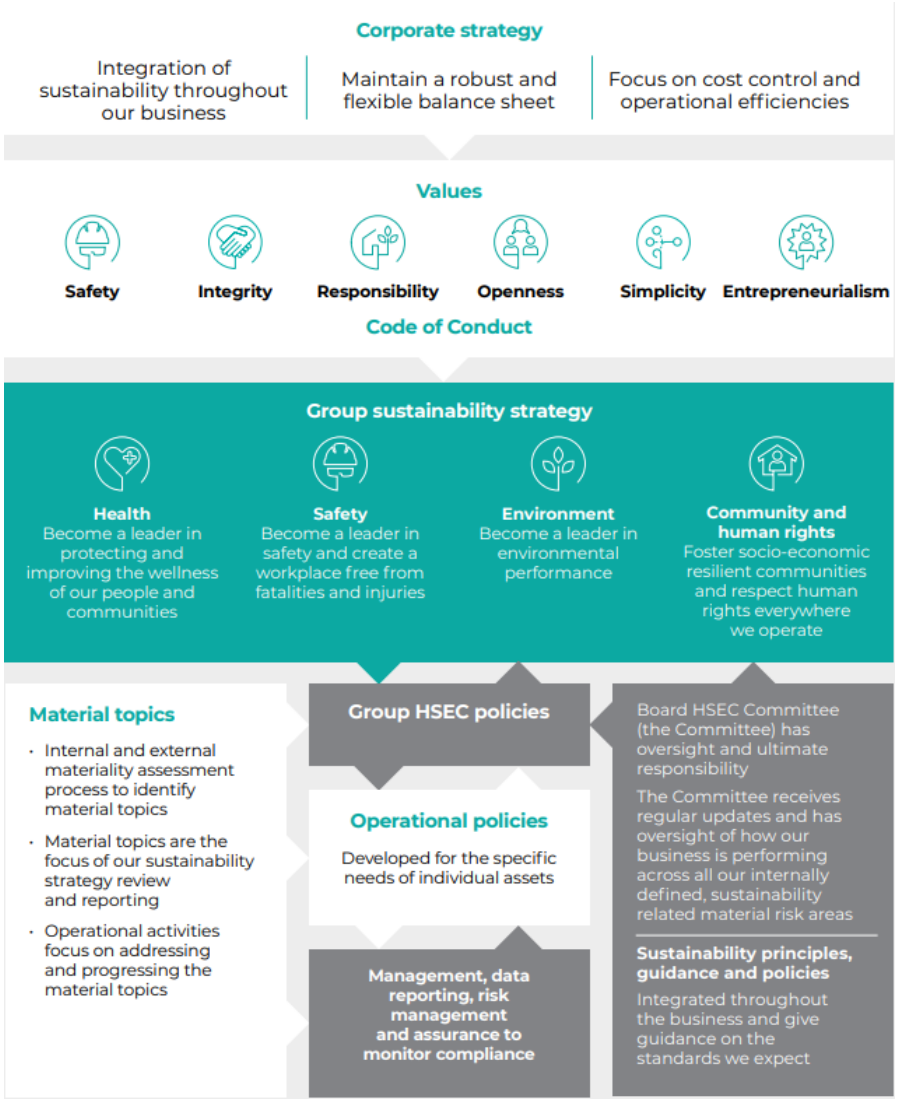
Why is Environmental, Social and Governance ("ESG") important to Zanaga?

Operating in a socially responsible manner is integral to the way that a company conducts its business. ZIOC's licence to operate, access to finance, ability to attract and retain the right employees and ability to maintain good relations with all stakeholders are all closely linked to the manner in which ZIOC conducts its business.

From the early days of exploration, ZIOC developed a basic health, safety, environmental and community management system based on the principles of the IFC's Performance Standards on Environmental and Social Sustainability.

Group's Policies

During 2025, the Project's approach to corporate responsibility continued to be governed by Group's framework for HSEC and Human Rights, which is based on the following structure, and which ZIOC has committed to maintaining going forward:



ZIOC's values statement includes the following commitment with respect to corporate social responsibility:

Sustainability is a key pillar of the Corporate Strategy

We believe that our long-term success requires us to prioritise health and safety and environmental management as well as the welfare of all our workers, contribute to the development and well-being of the communities in which we work, and engage in open dialogue with our stakeholders.

Safety
We never compromise on safety. We look out for one another and stop work if it's not safe.

Integrity
We have the courage to do what's right, even when it's hard. We do what we say and treat each other fairly and with respect.

Responsibility
We take responsibility for our actions. We talk and listen to others to understand what they expect from us. We work to improve our commercial, social and environmental performance.

Openness
We're honest and straightforward when we communicate. We push ourselves to improve by sharing information and encouraging dialogue and feedback.

Simplicity
We work efficiently and focus on what's important. We avoid unnecessary complexity and look for simple, pragmatic solutions.

Entrepreneurialism
We encourage new ideas and quickly adapt to change. We're always looking for new opportunities to create value and find better and safer ways of working.

The Group continues to review best in class ESG practices and is in the process of documenting and introducing these to our procedures to ensure they are fully adopted.

Key Health and Safety performance indicators

- No lost time injuries ("LTIs"), medical treatment injuries ("MTIs"), nor Restricted Work Injury ("RWIs") were recorded during 2025.
- Personal protective equipment (PPE) is replaced every year and was again during 2025 for all employees and subcontractors.
- 4 x meetings of the MPD Congo Health and Safety Committee took place as a mandatory exercise under Congolese law on the following themes: Prevention of workplace accidents, Drug resistance, Environmental management, firefighting and prevention.
- 14 (2024: 17) safety and Job Safety Analysis ("JSA") meetings were held during 2025 as part of the proactive programme and more than 10 (2024: 15) awareness meetings were held (total 118 people and 20 hours of training).
- 20 (2024: 25) inductions (health, safety, environment and community) were held for 49 site visitors (7 hours training).
- Awareness meetings have been held under the following themes;
    - Reminders about the 12 fatal risks
    - The 10 golden rules
    - Vehicle technical inspections
    - Working at height
    - Chemical and biological hazards

- Electrical maintenance
- And others

- 4 occupational first aid training exercises were held covering emergency response (bleeding, burns, wounds, unconscious casualties), basic first aid (PLS, choking), prevention principles, first aid roles, erysipelas awareness, protection and alert protocols, and drug resistance sensitisation.
- Regular alcohol tests were carried out on site, with no positive recordings.
- Health and safety are a priority for the Project. Every incident, including very minor ones, is recorded in a quarterly report written by the Project's management team and forwarded to state representatives and shareholders.
- At the end of 2025 the Zanaga Project achieved a total of 4,878 days without experiencing an LTI.
- This is an excellent result for the Project, taking into account that different activities were carried out by the Congo team.
- The focus for the health and safety programme remains on the implementation of the Fatal Hazard Protocols and the 10 Golden Rules.

Key Environmental performance indicators

- The Environmental Permit awarded by the Ministry of Environment (April 2020) remains active for a period of twenty-five (25) years.
- 14 (2024: 18) training courses were delivered to all the camp employees, subcontractors and visitors to the camp, totalling 106 people and 9 hours of training (2024: total 112 people and 22 hours of training) under the themes;
  - Spill prevention and response (hydrocarbons, chemicals, wastewater), sustainable environment
  - Water management
  - Soil disturbance permits
  - Ecosystem and biodiversity protection (including forests and wildlife)
  - Snakebite risks
  - Impacts of climate change in the Republic of Congo
  - And others
- Employees actively participated in various Congolese and international events such National Tree Day (planting of trees at the area of the camp), World Environment Day, etc.

Key Community and Human rights indicators

- During 2025, 190 (2024: 180) community communication meetings took place with approximately 337 stakeholders participating.
- Approximately US$15,000 (2024: US$15,000) was spent as part of the Project's commitment to communities to facilitate;
  - Access to quality care for the population present in the mining concession by supporting the Léfoutou health centre (supporting a portion of staff costs at the health centre, purchase of medicines each quarter and material support, including 2,400 litres of diesel for the health centre and the maintenance of the ambulance donated in 2015).
  - HIV/AIDS awareness outreach campaign was undertaken in 2025 to increase the awareness of the HIV prevention programme, which was attended by 25 employees and contractors and the community around the camp, providing basic knowledge on HIV and AIDS, risk management and self-esteem. Over 1,000 condoms were distributed at the workplace and at the Lefoutou health centre during 2025.

Details of the community programmes

Supporting community health

- In September 2015, the health centre at Lefoutou was opened and remains fully functional. MPD Congo equipped the health centre with medical equipment, medical supplies, donated a fully equipped ambulance, paid half of the salaries of the employees of the health centre every month during the whole year 2025, provided 200 litres of fuel every month and provided medical supplies for a value of US$12,000 for 2025 (US$10,000 for 2024).
- The statistics for the year 2025 of the Lefoutou health centre are very encouraging; in total, 1,107 persons were treated at the health centre during the year.
- The drinking water boreholes drilled in 2017 by MPD Congo continue to benefit local communities, with regular maintenance contributing to improved access to potable water.
- An inspection conducted in Q3 2025 identified the need for maintenance on certain installations, and MPD Congo will be completing cleaning and repairs on 12 boreholes in 2026 to ensure the sustainability of the infrastructure and the continuity of service to beneficiary communities.

Supporting community education

- As in previous years, the Zanaga Project continues to support the schools and schoolteachers in the eight villages in the immediate vicinity of the Project camp at Lefoutou.

Supporting agriculture development, the environment and access

- The Project continues to buy foodstuffs from the Project area communities (chilli peppers, cassava sticks, tomatoes, vegetables, bananas, pineapples, carp fish, etc.).
- The purchase of other food items that were not available near the camp was made in Zanaga, Bambama, Sibiti and Dolisie during the year 2025.
- The objectives are to improve the local market and contribute to the economic development of the project area.

The Strategic Report was approved by the Board of Directors and authorised for issue on 30 June 2026 signed on its behalf by:

Mr Clifford Elphick
Director

Corporate Governance

Board of Directors

The Board of Directors currently comprises five Directors.

Clifford Thomas Elphick
Non-Executive Chairman
Clifford Elphick is the founder and CEO of Gem Diamonds Limited, a diamond mining company listed on the Main Market of the London Stock Exchange. Mr Elphick joined Anglo American Corporation in 1986 and was seconded to E Oppenheimer & Son as Harry Oppenheimer's personal assistant in 1988.

In 1990, he was appointed managing director of E Oppenheimer & Son, a position he held until his departure from the company in December 2004. During that time, Mr Elphick was also a director of Central Holdings, Anglo American and DB Investments. Following the buy-out of De Beers in 2000, Mr Elphick served on the De Beers executive committee until 2004. Mr Elphick formed Gem Diamonds Limited in July 2005.

Clinton James Dines
Non-Executive Director
Clinton Dines has been involved in business in China since 1980, including senior positions with the Jardine Matheson Group, Santa Fe Transport Group and Asia Securities Venture Capital. In 1988 he joined BHP as their senior executive in China and following the merger of BHP and Billiton in 2001, he became president of BHP Billiton China, a position from which he retired in 2009.

Jonathan Andrew Velloza
Non-Executive Director

Jonathan Velloza has a wealth of experience in the mining industry, having previously acted as Deputy CEO and COO of Gem Diamonds Ltd. Prior to this he was with BHP Western Australia Iron Ore where he was General Manager at Mining Area C, the largest iron ore mine in the BHP portfolio, from 2013 to 2015, leading a number of successful operational efficiency programmes. He has also acted as a Senior Exploration Manager in Zambia and Chile for BHP from 2011-2013, Operations Manager at AngloGold Ashanti from 2009-2010 and held numerous managerial positions at De Beers from 2001-2009.

Phil Mitchell (appointed on 9th April 2025)
Non-Executive Director

Phil has formerly worked with Rio Tinto, where he played a pivotal role in transforming its iron ore division into the company's flagship business unit, with over 300 million tonnes of iron ore production. He later served as Rio Tinto's Head of Business Development, overseeing strategy, M&A, and strategic business change. Phil also serves as CFO of I-Pulse Group, where he previously served as Chairman of I-Pulse's I-ROX business and Société des Mines de Fer de Guinée (SMFG). Phil is also Chairman of the Board at Aura Energy Ltd.

Martin Knauth (appointed on 9th April 2025)

CEO and Executive Director

Martin was appointed CEO of ZIOC in December 2023 and has extensive experience in the industry spanning more than 30 years in a wide range of commodities and countries, with notable success in project development, operations and transformational growth phases. Martin's experience includes project leadership in Australia and the Pacific, Africa, Central Asia, and Central and South America, with companies such as Vale, Glencore, Sherritt Metals International, KAZ Minerals, and Western Mining Corp. He has a strong record in establishing performance cultures and maintaining positive relationships with governments, communities, employees and other project stakeholders.

Peter Edward Montague Hill (resigned on 13th March 2025)
Non-Executive Director

Peter is Head of Iron Ore Marketing at Glencore International AG. Peter brings over 14 years' experience in the mining sector, having joined Glencore in 2009 and was previously at BHP Billiton.

Denis Weinstein (resigned on 30th Sept 2024)
Non-Executive Director

Denis is a trader in Glencore International AG's Iron Ore Marketing team. Denis rejoined Glencore in 2022, having previously been with the company from 2012 to 2020.

Directors' Report

The current Directors of the Group (Clifford Elphick, Clinton Dines, Jonathan Velloza, Phil Mitchell, Martin Knauth), who were members of the Board at the time of approving the Directors' Report, hereby present their 2025 Annual Report to the shareholders of Zanaga Iron Ore Company Limited (ZIOC), together with the full financial statements for the year ended 31 December 2025.

Status and activities

ZIOC is a British Virgin Islands Business company registered under the Territory of the British Virgin Islands ("BVI"), BVI Business Companies Act, 2004. Formation, changes and project ownership history:

- The Company was incorporated on 19 November 2009 with the name Jumelles Holdings Limited.
- On 1 October 2010, the Company changed its name to Zanaga Iron Ore Company Ltd.
- On 18 November 2010, the Company's share capital was admitted to trading on the AIM Market ("AIM") of the London Stock Exchange ("Admission").
- At Admission, the Company held 100% of the Project through Jumelles which in turn owns 100% of the Project subject to the minimum 10% free carried interest of the Government of the RoC.
- Following both pre and post Admission development funding received from Xstrata, in 2011, Xstrata exercised its Call Option (the "Call Option") and acquired a 50% plus one share interest in the Project through Jumelles. The Company retains a 50% less one share interest in the Project through Jumelles ("Minority Stake").
- Following the merger of the Glencore group and Xstrata in 2013 the 50% plus one share shareholder has become Glencore.
- In March 2025 the Group completed an equity fund raising, the gross proceeds from it were used to repurchase, and subsequently cancel, Glencore's entire equity shareholding in ZIOC, resulting in the termination of all Glencore's relationship in the Group.
- With respect to post-balance sheet events, during 2026 Jumelles BVI Limited ("Jumelles") being a 100% subsidiary of ZIOC, signed a binding term sheet (the "Binding Term Sheet") for a proposed strategic investment by Red Arc Minerals in the Group's Zanaga Iron Ore Project. The transaction with RAM is expected to conclude in July 2026, and should this occur, RAM would refund ZIOC any expenses incurred in connection with the bulk sampling programme, as well as certain Project expenses. Please note the related party transaction wording mentioned in the 10 February 2026 announcement. The successful closing of the RAM transaction and the completion of all the tranches thereunder would also mean that the Group, including Jumelles, would be fully funded through to an FID for the Project.

The Group's long-term objective is to maximise the value of the Group's sole asset – its stake in Jumelles – and the Project, which is currently focused on managing, developing and constructing a world-class iron ore asset capable of mining, processing, transporting and exporting iron ore at full production.

Activities and Business Review

The Group's performance, activities during the year and prospects are discussed in the Group's Profile, Chairman's Statement and in the Business Review as set out on pages 3 - 19.

The financial risk profile

The Group's financial instruments comprise cash and various items such as trade receivables and payables that arise directly from the Group's operations. The main risks that the Group faces are summarised on pages 24 - 29. Further details are given in Note 13 to the financial statements.

The risks and uncertainties facing the Group are regularly reviewed by the Board and management.

Volatility in currencies

Various factors, including the Russia/Ukraine war and its impact on global markets as well as supply chain issues and inflation has resulted in increased volatility in currency rates applicable to Pounds Sterling. Such volatility is likely to continue. As the Group 's cash resources are held in Pounds Sterling, such volatility could adversely affect the Group 's financial position and results where it is obliged to make payments of sums denominated in other currencies. This particularly applies to contributions made by the Group to funding the Jumelles entities within the Group as these amounts are calculated in United States dollars.

Dividends

No dividends were declared or paid during the year under review (2024: US$nil) nor between 31 December 2025 and the date of this Annual Report.

Future funding requirements and going concern basis of preparation

Please refer to Note 1 of the Financial Statements on pages 61.

Directors

Members of the Board who served as Directors throughout or during part of 2025 are Clifford Elphick, Peter Hill, Johnny Velloza and Clinton Dines. Phil Mitchell and Martin Knauth were appointed to the Board on 9 April 2025. Phil Mitchell joined the Board as a representative of Greymont Bay.

Biographical details of the Directors and the period of each directorship are shown on pages 34 & 35. Details of Board meetings and Directors' attendance at Board meetings are laid out on page 42.

The Directors' interests in the ordinary shares of the Group as of 31 December 2025 and at the date of signing of this Annual Report are set out on page 48 in the Remuneration Report.

Directors' remuneration

A Directors' Remuneration Report, which shareholders will be asked to approve at the Annual General Meeting, can be found on pages 46 - 48.

Company Secretary
Altum (Guernsey) Ltd is responsible for the provision of company secretarial and related administrative services.

Indemnities and insurance

The Group maintains directors' and officers' liability insurance cover, to cover claims made against directors and officers of the Group, arising out of actions taken in relation to the Group's business and its Admission.

Corporate governance

Following the ZIOC's Admission to AIM in November 2010, the Group has sought to apply the Financial Reporting Council's UK Corporate Governance Code, and the Directors have taken measures to apply the principles of that Code so far as was appropriate and practical having regard to the size and nature of the Group. The Directors have taken the same approach as regards the application of the recent. Please refer to the full Corporate Governance Report on page 40.

Corporate responsibility

The Group places the highest priority on the health and safety of its employees, respect for the environment and active engagement with the local communities in which it operates. A report on corporate responsibility can be found on pages 30 - 33.

Substantial share interests

According to the Group's shareholder register, as of 31 December 2025 and as of 30 May 2026, the following interests of 3% or more of the issued ordinary share capital had been notified to the Group:

As of 31 December 2025

Main Shareholders:	Number of shares	% of share capital
Greymont Bay 1 LLC	152,131,783	18.28%
Guava Minerals Limited [1]	79,907,592	9.60%
Regatta HCRP 1 LP	58,139,535	6.98%
Gagan Gupta	48,032,071	5.77%
Everblue 2020 1 LLC	36,250,000	4.35%

[1] Clifford Elphick is indirectly interested in these ordinary shares by virtue of his interest as a potential beneficiary in a discretionary trust, which has an indirect interest in these ordinary shares.

As of 30 May 2026, the Group's issued share capital consisted of 991,101,694 ordinary shares of no par value. As of 30 May 2026, the percentage of ordinary shares that were not in public hands was 41.52%[2]

Main Shareholders:	Number of shares	% of share capital
Greymont Bay I LLC[2]	152,131,783	15.35%
Gagan Gupta	48,032,071	4.85%
Guava Minerals Limited[1]	79,907,592	8.06%
Regatta HCRP I LP[2]	58,139,535	5.87%
Everblue 2020 I LLC	36,250,000	3.66%

[1] Clifford Elphick, the non-executive Chairman of the Group, is indirectly interested in these ordinary shares, representing 8.06% of the issued share capital of the Group, by virtue of his interest as a potential beneficiary in a discretionary trust, which has an indirect interest in these ordinary shares. In addition, 6,373,585 Ordinary Shares representing 0.64% of the issued share capital of the Group are registered in his name.

[2] Entities managed by Heeney Capital Corp. ("Heeney Capital"). The Group has been informed by Heeney Capital that the total number of shares owned by entities managed by Heeney Capital is 210,271,318, representing 21.22% of the issued shares.

The Group understands that a Concert Party of investors linked to Heeney Capital and/or entities managed by Heeney Capital are interested in ordinary shares representing approximately 27.75% of the issued shares.

Policy on payment to suppliers

Amounts due to suppliers and service providers are settled promptly within the terms of the payment, except in cases of dispute.

Material contracts

The Group's material contracts are with Gulf Iron & Steel; Panmure Liberum Capital Limited, which acts as Nominated Adviser and joint Corporate Broker; Computershare Investor Services (BVI) Limited, which acts as Registrar; the Group's banker; and SMC.

Legal proceedings

The Group is not engaged in any litigation or claim of material importance, nor, so far as the Directors are aware, is any litigation or claim of material importance pending or threatened against the Group.

Disclosure of information to Auditors

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

By order of the Board

Clifford Elphick
Non-Executive Chairman

2nd Floor, Coastal Building
Wickham's Cay II
Road Town P.O. Box 2221
Tortola
British Virgin Islands
30 June 2026

Corporate Governance Report

For many years the Directors have recognised the importance of sound corporate governance and the guidelines set out in the UK Corporate Governance Code (2024). In the past, the Group has applied the Code so far as was considered appropriate having regard to the size and nature of the Group and its business and role.

General objectives

In light of the updated AIM Rules for Companies and the introduction of the revised 2024 Corporate Governance Code (the "Code"), the Group has taken steps to further formalise its compliance with the Code. As part of this process, the Group continues to adhere to the following objectives:

- it is led by an effective and entrepreneurial Board which is collectively responsible for the long-term success of the Group;
- the role of the Board is to promote the long-term sustainable success of the Group;
- the Board has the appropriate balance of skills, experience, independence, and knowledge of the Group to enable it to discharge its duties and responsibilities effectively;
- the Board establishes a formal and transparent arrangement for considering how it applies the corporate reporting, risk management, and internal control principles and for maintaining an appropriate relationship with the Group's auditors; and
- there is a dialogue with shareholders based on the mutual understanding of objectives.

The Board

Board Oversight of Culture

The Board recognises that a healthy and effective culture is fundamental to the successful delivery of the Group's purpose, values and strategy. All directors must act with integrity, lead by example and promote the desired culture. Throughout the year, the Board assessed and monitored culture through regular engagement with management, and reports on conduct, risk and compliance matters. The Board also considered indicators of cultural alignment and areas requiring improvement.

Investment in and Reward of the Workforce

The Group remains committed to investing in its workforce through leadership development and opportunities for career progression. The Group's remuneration and reward framework is designed to support the delivery of the Group's purpose, values and strategy by promoting sustainable performance, recognising individual and collective contribution, and encouraging behaviours consistent with the Group's culture. The Board reviews workforce reward arrangements to ensure they remain fair, competitive and aligned with the long-term interests of the Group and its stakeholders.

Board of Directors

As at 31 December 2025, the Board was led by a Non-Executive Chairman, Clifford Elphick. The Board consisted of five Directors, one Executive Director and 4 non-Executive Directors, three of whom held office for the duration of the year.

Further details of the Directors and length of directorships are included in the table below.

Name	Nationality	Age	Position	Date of appointment
Clifford Thomas Elphick	South African	65	Non-Executive Chairman	26 November 2009
Jonathan Andrew Velloza	South African	55	Non-Executive Director	6 September 2018
Clinton James Dines	Australian	68	Non-Executive Director	16 August 2010
Peter Edward Montague Hill	British	41	Non-Executive Director	17 December 2022*
Denis Weinstein	Hungarian	35	Non-Executive Director	17 December 2022**
Phillip Mitchell	Australian	65	Non-Executive Director	9 April 2025
Martin Knauth	Australian	55	CEO & Executive Director	9 April 2025

*Resigned on 13 March 2025

** Resigned on 30 September 2024

The biographical profiles of the Directors, which demonstrate their skills and experience, can be found on pages 34 & 35.

The Board is comprised of one Executive Director and 4 non-Executive Directors, being:

- a Non-Executive Chairman, who is responsible for leadership of the Board and ensuring its overall effectiveness in directing the Group. (Code Principle-F) The Chairman has primary responsibility for the delivery of the Group's corporate governance model. The Chairman has a clear separation from the day-to-day business of the Group which allows him to make independent decisions; and
- an Executive Director who holds the position of Group CEO
- 3 other Non-Executive Directors.

The Board has a breadth of experience relevant to the Group, and the Directors believe that any changes to the Board's composition can be managed without undue disruption. The Board believes that the mix of skills, experience, ages and length of service are appropriate to the requirements of the Group. (Code Principle-K)

The Board consider that, of the current Non-Executive Directors, Mr Clinton Dines, Mr Jonathan Velloza and Mr Phillip Mitchell can each be viewed as an Independent Non-Executive Director (notwithstanding the criteria set out in Code Provisions 10 and 11). The Directors believe that independence is not a state of mind that can be measured objectively; given the character, judgement, and decision making process of Mr Clinton Dines, Mr Jonathan Velloza, and Mr Phillip Mitchell respectively, each can be considered independent, notwithstanding share options awarded to Mr Dines in 2014 under the Group's long-term share incentive scheme and the cross holdings of directorships of Mr Velloza.

The Group reviews the independence of the Directors annually and all new appointments will be made after consideration of the independence of the Group's Directors. Induction processes are followed upon the appointment of a new Director.

The Chairman conducts a performance evaluation of both Executive and Non-Executive Directors on an informal basis, which is considered appropriate to the small size of the Group and the limited range of its activities (Code Principle-L and Code Provisions 21 and 22). The Non-Executive Directors should be responsible for performance evaluation of the chairman (Code Provision-12).

Copies of the service contracts of Directors (all of which are terminable by less than one year's notice) are available for inspection by shareholders during normal business hours, at the Group's registered office (Code Provision-40).

Election of Directors

As per the Company Articles of Association, one third of Directors are subject to retirement at each annual general meeting of the Group ("AGM") by rotation. In addition, any Director who would not otherwise be required to retire shall retire by rotation at the third AGM after his last appointment or reappointment. A retiring Director shall be eligible for re-election unless he has indicated that he does not wish to stand for re-election.

Attendance at Board meetings

The Group holds regular Board meetings during the year, at which the Directors review the exploration and development progress of the Project and all other important issues to ensure control is maintained over the Group's affairs. There is set out below details of the number of meetings of the board held during that financial year and of the attendance by Directors.

In addition, between these formal meetings there is regular contact with the Group's consultants, management and the Nominated Adviser and Broker. The Directors are kept fully informed of investment, financial and other matters that are relevant to the business of the Group and that should be brought to the attention of the Directors. The Directors also have access to the Company Secretary and, where necessary in the furtherance of their duties, to independent professional advice at the expense of the Group (Code Provision 16).

The Board considers agenda items laid out in the notice and agenda, which are formally circulated to the Board in advance of a meeting as part of the Board papers. The Directors may request any agenda items to be added that they consider appropriate for Board discussion. Additionally, each Director is required to inform the Board of any potential or actual conflicts of interest prior to Board discussion.

The quorum for a Board meeting is two but attendance by all Directors at each meeting is strongly encouraged. Whilst Directors try to arrange their schedules accordingly, non-attendance is unavoidable in certain circumstances.

During 2025, there were three Board meetings and all other significant group decisions were made by written resolutions. The table below details the number of Board meetings.

	Total	Board meetings	Committee meetings
Clifford Thomas Elphick	5	3	2
Jonathan Andrew Velloza	5	3	2
Clinton James Dines	2	2	-
Philip Mitchell	1	1	-
Martin Knauth	5	3	2

Apart from the regular Board meetings, additional meetings will be arranged when necessary to review strategy, planning, operational, financial performance, risk, capital expenditure, human resources and environmental management.

Company Secretary

Additionally, the Group has appointed a professional company secretary in Guernsey, whom the Directors are free to consult. The company secretary provides advice and guidance to the extent required by the Board on the legal and regulatory environment (Code Provision-16). With the assistance of the Company Secretary, appropriate insurance cover in respect of the risk of legal action against Directors is arranged annually.

Annual report and Accounts and half-yearly financial statement

Pages 62 to 70 of this 2025 Annual Report of the Group, sets out details of the basis of preparation of the accounts (including their preparation on a going concern basis) and the responsibilities of the Directors and auditors in preparing the annual report. In addition, the Notes to the latest unaudited half-yearly financial statement sets out details of the basis of preparation of such statement, including their preparation on a going concern basis (Code Provision 30).

Boardroom diversity

Given the level of uncertainty in iron ore markets, and the need to maintain a low-cost base, the Group intends to maintain the board composition currently in place. In the event that iron ore markets improve and the Group is able to attract new financing then the diversity of the Board will be addressed through the appointment of new Board members.

Directors' shareholdings and dealings

The interests of the Directors in the share capital of the Group are disclosed in the Directors' Remuneration Report on pages 46 – 48.

The Directors comply with Rule 21 of the AIM Rules for Companies relating to Directors' dealings and take all reasonable steps to ensure compliance by the Group's applicable employees. The Group has adopted and operates a share dealing code for Directors and employees in accordance with the AIM Rules for this purpose.

Board streamlining and Board committees

Following a period in which there were constraints on the Group due to the difficult and challenging developments in the global iron ore market, the Board decided to operate on a streamlined basis. As part of such streamlined approach the audit committee, the remuneration committee and the Health, Safety, Social and Environment Committee have been discontinued and the duties and responsibilities which were delegated to them have reverted to the Board. As previously, responsibility for nominations to the Board continues to be reserved to the Board; consequently, no nominations committee has been put in place (Code Provisions 17 and 23). The Board is also responsible for monitoring the activities of the executive management team.

Audit Matters

As part of its overall responsibilities, the Board determines and examines any matters relating to the financial affairs of the Group including the terms of engagement of the Group's auditors and, in consultation with the auditors, the scope of the audit. In addition, it considers the financial performance, position and prospects of the Group and ensure they are properly monitored and reported on. (Code Principles-M and O)

Given the current size and nature of the Group, staff may raise concerns surrounding possible improprieties in matters of financial reports, in confidence with the Chairman, and the Directors do not feel it appropriate at this stage to put in place a detailed procedure by which staff may, in confidence, raise concerns surrounding possible improprieties in matters of financial reporting. The Directors will continue to keep this under review should staff numbers increase significantly

External Auditor

The Board is now also responsible for managing the relationship with MHA ("Group Auditors"), including approval of their remuneration and terms of engagement.

The Board has continued to be satisfied with the independence and effectiveness of the Group's Auditors and does not at this stage consider it is necessary to require an independent tender process. The Board will consider this again following publication of the 2025 Annual Report and will keep this under ongoing review.

The Group's Auditor is permitted to provide non-audit services that are not in conflict with Group's Auditor's independence and objectivity. The Board is responsible for ensuring that any non-audit services do not jeopardise this independence and objectivity and given the size and stage of development of the Group do this on a case-by-case basis.

Auditor's remuneration for the Group's Auditor, for audit services for the year 2025 are US$145,000 (2024: US$146,000), and US$Nil for non-audit services (2024: US$nil).

Internal control and risk management

The Directors have overall responsibility for establishing and maintaining the Group's system of internal control and risk management systems. Internal control systems are designed to meet the particular needs of the Group and the risks to which it is exposed, and, by their very nature, provide reasonable, but not absolute, assurance against material misstatement or loss. (Code Principle-C).

The key procedures which have been established to provide effective internal controls are as follows:

- Altum (Guernsey) Ltd ("Company Secretary") is responsible for the provision of company secretarial duties. The Directors of the Group clearly define the duties and responsibilities of their agents and advisors in the terms of their contracts.
- The Board reviews financial information produced by the administrator on a regular basis.
- The Board monitors the performance of the Group's service providers and their obligations under their agreements with the Group.
- All expenditure is subject to approval in accordance with the Group's accounting policies, procedures and Delegated Financial Authority.

The Group does not have an internal audit department. Due to the size and nature of the Group it is not felt that there is at this stage a need for the Group to have an internal audit facility. The Board will continue to keep this under ongoing review. (Code Provision C.3.6).

In accordance with Provision 7 of the Code, potential conflicts of interest are subject to ongoing review.

A review of business risks was carried out during 2025 and subsequently. A summary of the principal risks facing the Group can be found on pages 24 – 29.

Remuneration Committee

In view of the discontinuance of the Remuneration Committee, the Remuneration Report on pages 46 - 48 has been produced under the auspices of the Board.

The terms of reference which the Board follows in relation to remuneration can be found on the Group's website at www.zanagairon.com.

Health, Safety, Social and Environment Committee

The HSSE Committee has been permanently discontinued since June 2021.

Share Dealing Code

The Group has adopted a share dealing code to ensure Directors and certain other persons do not abuse, and do not place themselves under suspicion of abusing inside information of which they are in possession and to comply with its obligations under the Market Abuse Regulation ("MAR") which applies to the Group by virtue of its shares being traded on AIM. Furthermore, the Group's share dealing code is compliant with the AIM Rules for Companies published by the London Stock Exchange (as amended from time to time) and MAR.

Under the share dealing code, there are provisions regulating the following:

- all persons discharging managerial responsibilities and certain other persons must obtain clearance by the Group before they are allowed to trade in Group securities; and
- all persons discharging managerial responsibilities and persons closely associated to them must notify both the Group and the Financial Conduct Authority of all trades in Group securities that they make.

Relationships with shareholders and stakeholders

The Code encourages dialogue with institutional and other shareholders based on the mutual understanding of objectives. The Directors are always available to enter into dialogue with shareholders. The Group has appointed an "Investor relations" manager who has had long term experience of involvement with the Group's affairs and its relationship with shareholders. All ordinary shareholders have the opportunity to attend and vote at the AGM during which the members of the Board, the Nominated Advisor and Brokers are available to discuss issues affecting the Group. The Board stays abreast of shareholders' views via regular updates from its "investor relations" manager, the Nominated Advisor and its Broker as to meetings that may have held with shareholders. (Code Principal-D and Code Provision-3 and E.1.2).

The Board also has regard to the views of other key stakeholders. In particular and in view of the small size of the Group, there is maintained an informal dialogue between the Board and management. (Code Provisions 5 and 6)

In accordance with Principle G: The Board comprises a balanced mix of executive and independent non-executive directors with a broad range of skills, experience and backgrounds. The Board considers its composition appropriate to support the Group's strategy and long-term success.

For Provision 9 the Group has roles of Chair and Chief Executive Officer that are separated and performed by different individuals. The Chair was considered independent on appointment.

For Provision 13: During the year, the Chair met separately with the independent non-executive directors without executive management present to facilitate open discussion and independent challenge. These discussions informed Board deliberations and governance oversight.

Departure from the Code and reasons

- In view of the small size of the Group and the limited number of directors, the establishment of a nomination committee and the formal appointment of a senior independent director are regarded as unnecessary. Where new directors are appointed, the Chairman conducts an informal consultation process with the other directors. Consequently, Code Principles J and Code Provisions 12, 17 and 23 are departed from.
- In view of the small size of the Group and the limited number of directors, there is no fixed requirement for the Chairman to stand down after a period of years or for all directors to seek annual re-election, thereby departing from Code Provisions 18 and 19.
- As explained above, the Board has decided not to appoint an audit committee or a remuneration committee, thereby departing from the following Code Provisions: 24 to 26 inclusive, 32 and 33.
- In view of the small size of the Group, a streamlined approach for the Board's role in relation to the remuneration of Directors and staff and the establishment and implementation of share incentive schemes has been adopted. Consequently, there is a degree of departure from Code Provisions 36 and 37.
- As mentioned, and for the reasons stated above, no internal audit function has been set up, thereby departing from Code Provisions 24 and 25.

Remuneration report

This report to shareholders for the year ended 31 December 2025 sets out the policies under which Non-Executive and Executive Directors are remunerated.

As an AIM listed company this Group report is not intended to comply with the 2013 regulations applicable to quoted companies covered by the scope of those regulations. Whilst under no obligation to provide a remuneration report, the Board believes it appropriate to continue to do so, and, as a matter of best practice, this report will be subject to an advisory shareholder vote at the AGM.

Remuneration policy terms of reference

The terms of reference for the Group's remuneration policy, which are reviewed annually, can be found on the Group's website at www.zanagairon.com.

The key objectives of the remuneration policy are to:

- ensure that members of the executive management of the Group are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group;
- review the ongoing appropriateness and relevance of the remuneration policy; and
- approve the design of, and determine targets for, any performance related pay schemes operated by the Group and approve the total annual payments made under such schemes.

The main responsibilities of the Board in relation to remuneration are to:

- determine the framework or broad policy for the remuneration of the Group's Chairman of the Board, the Company Secretary and such other members of the executive management as it is designated to consider. The remuneration of Non-Executive Directors shall be a matter for the Chairman of the Board within the overall framework of the remuneration policy determined by the Board. No Director or manager shall be involved in any decisions as to their own remuneration.
- review the ongoing appropriateness and relevance of the remuneration policy;
- approve the design of, and determine targets for, any performance related pay schemes operated by the Group and approve the total annual payments made under such schemes; and
- review the design of all share incentive plans for approval by the Board. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to senior executives and the performance targets to be used.

Remuneration policy

The Board collectively establishes the remuneration policy.

Advice

During the year the Group received legal services from its solicitors, the independent law firm Simmons & Simmons LLP.

Service contracts and notice periods

The Board consisted of five Directors at the year end, one Executive Director and 4 non-Executive Directors for the duration of the year. Further details of the Directors and length of directorships are reflected in the table set out on pages 40 and 41 in the Corporate Governance section of this Report.

All the Directors are appointed for an indefinite period subject to three months' notice by either party at any time and subject to the Group's Articles of Association.

The service contracts for the Directors are available for inspection by members during normal business hours, at the Parent Company's registered office.

Non-Executive Directors' remuneration package

The Non-Executive Directors (other than the Chairman) shall be paid by way of fees for their services a sum not exceeding an aggregate of £500,000 per annum or such larger amount as the Group may by resolution of its shareholders determine.

The annual remuneration package, in Sterling, of the Non-Executive Directors who served during the year is detailed below:

Non-Executive Director	Annual fee £000	Annual fee Audit Committee £000	Annual fee HSSE Committee £000	Annual fee Remuneration Committee £000	Total annual fee £000
Clifford Elphick	-	-	-	-	-
Clinton Dines	-	-	-	-	-
Jonathan Velloza	-	-	-	-	-
Peter Hill[1]	-	-	-	-	-
Phillip Mitchell[2]	-	-	-	-	-
					Total: -

Note: Whilst the Audit Committee, Health, Safety, Social and Environmental Committee ("HSSE Committee") and Remuneration Committee have been dissolved, the functions and responsibilities still remain and are discharged by the Board; accordingly, the fee paid reflects these ongoing duties.

1) Resigned on 13th March 2025

2) Appointed on 9th April 2025

No Director is entitled to any bonus, pension or other benefits (save as disclosed above or in relation to the long-term incentive scheme as set out below). In the event of termination of appointment, howsoever caused, each Director has agreed that they will not be entitled to any compensation for loss of office as a Director of the Group.

Please refer to pages 47, 48 & 77 for further information on fees relating to Directors.

Directors' shareholdings

The interests of the Directors who served during the year to 31 December 2025 in the share capital of the Group, all of which are beneficial unless otherwise stated, are as follows:

	31 December 2025		31 December 2024	
Directors	**Number of shares**	**% of issued share capital**	Number of shares	% of issued share capital
Peter Hill and Denis Weinstein [1]	**290,876,641**	**43.04%**	290,876,641	43.04%
Clifford Elphick[2]	**82,375,035**	**12.19%**	82,375,035	12.19%
Clinton Dines[3]	**2,133,317**	**0.32%**	2,133,317	0.32%
Jonathan Velloza	**1,843,452**	**0.27%**	1,843,452	0.27%
Martin Knauth	**9,251,938**	**1.11%**	-	-

1. *Peter Hill (resigned on 13th March 2025) and Denis Weinstein (resigned on 30th Sept 2024) were indirectly interested in these ordinary shares, which were registered in the name of Glencore, by virtue of their interest as a potential beneficiary in these ordinary shares.*

2. *Clifford Elphick is indirectly interested in 79,907,592 of these ordinary shares, which are registered in the name of Guava Minerals Limited, by virtue of his interest as a potential beneficiary in a discretionary trust which has an indirect interest in those ordinary shares. The remaining 2,467,443 Ordinary Shares are registered in his name.*

3. *Comprising 1,931,470 ordinary shares and 201,847 ordinary shares over which options have been granted.*

Remuneration for the year to 31 December 2025

The emoluments for the Directors who served for the year to 31 December 2025 can be found below:

Director	Director Fee 2025 £000	Other emoluments 2025 £000	Total emoluments 2025 £000	Director fee 2024 £000	Other emoluments 2024 £000	Total emoluments 2024 £000
Clifford Elphick	-	-	-	-	-	-
Clinton Dines	-	-	-	-	-	-
Jonathan Velloza	-	-	-	-	-	-
Martin Knauth[1]	**181**	**137**	**318**	-	-	-
Philip Mitchell	-	-	-	-	-	-
Peter Hill[2]	-	-	-	-	-	-
Denis Weinstein[2]	-	-	-	-	-	-
Total in £	**181**	**137**	**318**	-	-	-
	US$000	**US$000**	**US$000**	**US$000**	**US$000**	**US$000**
Total in US$	**225**	**169**	**394**	-	-	-

[1] *Martin Knauth was appointed as an Executive Director from 09 April 2025. A bonus and deferred fees amounting to $400k accepted by board on 28 Feb 2025 were paid through an exchange for subscription of 7,751,938 shares are therefore excluded from this.*

[2] *Peter Hill (resigned on 13th March 2025) and Denis Weinstein (resigned on 30th Sept 2024)*

Fee deferment arrangements

Please refer to pages 11, 47, 48 & 77 for further information on fees relating to Directors and Management.

Long Term Incentivisation Plan (LTIP)

1,500,000 new options were issued in 2024 to the CEO and exercised in 2025.

No new options were issued in 2025.

By order of the Board

Clifford Elphick
Director
30 June 2026

Statement of Directors' Responsibilities

The Directors of Zanaga Iron Ore Company Limited (the "Directors") are responsible for preparing the annual report and group's financial statements, which are intended by them to give a true and fair view of the state of affairs of the group and of its profit and loss for the period.

The Directors are required by the AIM Rules of the London Stock Exchange (the "AIM Rules") to prepare the group's financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the United Kingdom.

In preparing the group financial statements, the Directors have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether they have been prepared in accordance with IFRSs as adopted by the United Kingdom; and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the group and the Parent Company will continue in business.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities. The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group. The directors are responsible for the maintenance and integrity of the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors have decided to prepare voluntarily a Directors' Remuneration Report, which can be found on page 46 – 48.

Independent auditor's report to the members of Zanaga Iron Ore Company Limited

For the purpose of this report, the terms "we" and "our" denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Zanaga Iron Ore Company Limited. For the purposes of the table on pages 51 to 52 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA. The Group financial statements, as defined below, consolidate the accounts of Zanaga Iron Ore Company Limited and its subsidiaries (the "Group").

Opinion

We have audited the financial statements of Zanaga Iron Ore Company Limited for the year ended 31 December 2025.

The financial statements that we have audited comprise:

- the Consolidated Statement of Total Comprehensive Income
- the Consolidated Statement of Financial Position
- the Consolidated Statement of Changes in Equity
- the Consolidated Cash Flows Statement
- Notes to the financial statements, including material accounting policies

The financial reporting framework that has been applied in the preparation of the group's financial statements is the International Financial Reporting Standards as adopted by the United Kingdom ("UK Adopted IFRS").

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as of 31 December 2025 and of the Group's loss for the year then ended; and
- have been properly prepared in accordance with UK Adopted IFRS.

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 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 ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

- obtaining the directors' going concern assessment and evaluating the appropriateness of the assessment;
- assessing the accuracy of the prior period budget by comparing previous budget to actual results to evaluate the reliability of management's budgeting process;
- reviewing the budget which covers the period up to 30 June 2027 and challenging management's basis for the underlying assumptions in the budget, agreeing to supporting documentation such as post year end bank statements, and management accounts
- assessing the impact of plausible downside scenarios and stress testing, including their effect on liquidity;
- considering the sufficiency of available cash and financing facilities, and the funding received post-yearend; and
- reviewing the adequacy and appropriateness of the going concern disclosures in the financial statements, ensuring they sufficiently describe the basis of the assessment and material assumptions.

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

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

Overview of our audit approach

Scope	Our audit was scoped by obtaining an understanding of the Group, and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement. We, and our component auditor acting on specific group instructions, undertook audit procedures on the entire financial information of 1 component and specified audit procedures on specific aspects and balances on another 4 components.

Materiality	**2025**	**2024**	
Group	US$1,735,000	US$1,710,000	2% (2024: 2%) of net assets

Key audit matters	
Recurring	Impairment of evaluation and exploration assets

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, 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) that we identified. These matters included those matters 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.

Impairment of evaluation and exploration assets	
Key audit matter description	The group holds evaluation and exploration assets (held via its investment in Jumelles Limited) situated in the Republic of Congo. Evaluation and exploration assets held as at 31 December 2025 were valued at US$85.3m (2024: US$85.3m). (see note 6) The volatility of expected future prices of commodities (iron ore), foreign exchange rates, production levels, operating costs, discount rates and macro-economic developments require management to make significant assumptions in determining the Evaluation and Exploration Assets future profitability. This area was also considered to involve a presumed risk of fraud due to the level of judgement involved in line with auditing standards. The Group's market capitalisation at 16 December 2025 was approximately US$80.6m (£60.3m) which was below the Group's net assets and the carrying value of the Evaluation and Exploration assets. Management completes an impairment review annually. The outcome of impairment assessments could vary significantly where different assumptions are applied.
How the scope of our audit responded to the key audit matter	In response to this key audit matter, our audit procedures included the following: • Evaluating the design and implementation of controls over the impairment assessment process. • Gaining an understanding of governance and oversight mechanisms related to the identification of indicators of impairment or reversal and the development, review, and approval of key assumptions used in the impairment model; and • Performing an independent assessment of potential indicators of impairment. • Challenging the appropriateness of key assumptions used in the impairment model, with a specific focus on assessing potential management bias or risk of management override. This included: o With the assistance of third-party valuations experts, developing an independent estimate range for discount rates and comparing these to the rates used by management; o Performing independent sensitivity analyses of the impairment model, including adjustments to discount rates and long-term iron ore price assumptions; and o Comparing management's long-term iron ore price assumptions to external data sources such as published forward price curves and broker consensus forecasts. • Reviewing post-year-end developments and market conditions for any potential indicators of impairment. • Assessing the adequacy and transparency of impairment-related disclosures in the financial statements, including disclosure of significant assumptions.
Key observations communicated to the Group's Board of Directors	Based on the results of our work, we have no key observation to make.

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Overall Materiality	US$1,730,000 (2024: US$1,710,000)
Basis of determining overall materiality	Materiality in respect of the Group was determined on the basis of 2% (2024: 2%) of the Group's net assets. The main activity of the Group is to develop its exploration asset and to support the development of a large-scale iron ore mine, including associated processing and infrastructure, through one of its subsidiary undertakings. While the Group is involved in overseeing and facilitating the setup of this operation, the actual business activities of the subsidiary remain in the development stage, and no operations or trading have commenced to date. As such, we consider net assets to be the most appropriate benchmark for our assessment.
Performance materiality	US$1,214,500 (2024: US$1,197,000)
Basis of determining performance materiality	Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Performance materiality for the Group represents 70% (2024: 70%) of the above materiality levels. The determination of performance materiality reflects our updated assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audit.
Error reporting threshold	We agreed to report any corrected or uncorrected adjustments exceeding US$86,750 (2024: US$85,500) in respect of the Group to the Board of Directors as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

Overview of the scope of the Group audit

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation / distribution and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the consolidated financial statements, and to ensure we had adequate quantitative and qualitative coverage of significant accounts in the consolidated financial statements, of the 5 reporting components of the group, we identified 1 component in the UK, 2 components in the British Virgin Islands, 1 component in Mauritius and 1 component in the Republic of Congo, which represent the principal business units within the Group.

Of these, we identified 1 component due to its financial significance in the consolidated financial statements, to perform an audit over the entire financial information. Additionally, considering the remaining quantitative and qualitative coverage, we have selected certain classes of transactions, account balances, or disclosures ("COTABDs") from the remaining 4 components contributing to the specific risks of material misstatement of the group financial statements.

The work over the audits of entire financial information combined with specified COTABDs provided coverage of 85% of loss before tax and 100% of net assets.

Our audit of the Group financial statement involved the use of a component auditor in relation to the component based in the Republic of Congo. The group audit team was actively involved in directing, supervising and reviewing their work. This includes regular correspondence, video calls, and review of key working papers compared to the initial reporting deliverables send to the component auditors. We assessed the risks of material misstatement at the level of COTABDs, determined how these risks related to relevant assertions in the component's financial information, and coordinated the audit approach accordingly. The proposed responses to these risks were discussed and agreed with the component auditor, along with the required nature, timing and extent of their procedures and the format of their reporting. Throughout the audit, the group team maintained close involvement through review of work performed and participation in discussions at key stages of the engagement, ensuring the appropriateness and consistency of the audit conclusions drawn.

Climate-related risks

In planning our audit and obtaining an understanding of the Group, we considered the potential impact of climate-related risks on the business and its financial statements. We held discussions with management to understand their processes for identifying and assessing climate-related risks, and their potential financial reporting implications.

The Group is currently in the exploration and evaluation phase and has not yet commenced mining or trading operations. While management has considered climate-related risks at a high level, we noted that a detailed or formally documented assessment of such risks, including their potential impact on the financial statements, has not been fully developed. In particular, there is limited evidence demonstrating how climate-related considerations have been incorporated into key accounting judgements and estimates, including those relating to the valuation and recoverability of exploration and evaluation assets, future commodity price assumptions, and longer-term project economics. Management has concluded that climate-related risks do not have a material impact on the financial statements for the current year.

The Group does not currently provide explicit climate-related disclosures and is not legally required to do so. References to climate-related matters within the Strategic Report are limited in nature and do not constitute a comprehensive set of climate-related disclosures.

Our responsibilities in respect of other information, including any references to climate-related matters, are described in the relevant section of this report. Our procedures in this area consisted of considering whether such information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We involved internal specialists to assist in our consideration of climate-related risks and their potential impact on the financial statements. This included evaluating management's assumptions, assessing whether climate-related risks could reasonably affect key accounting estimates and disclosures, and challenging whether sufficient consideration had been given to relevant forward-looking factors.

Based on the procedures performed, we did not identify any key audit matters that were materially impacted by climate-related risks for the year ended 31 December 2025.

Reporting on other information

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

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector the control environment, business performance including remuneration policies and the Group's own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements or those that had a fundamental effect on the operations of the Group.
- We enquired of the directors and management concerning the Group's policies and procedures relating to:
    - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of

management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to reduce costs, creating fictitious transactions to hide losses or to improve financial performance, and management bias in accounting estimates particularly in the impairment of evaluation and exploration assets. The group engagement team shared this risk assessment with the Component Auditor so that they could include appropriate audit procedures in response to such risks in their work.

Audit response to risks identified

In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Group's board meetings
- audit procedures performed by the engagement team in connection with the risks identified included:
  - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.
  - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;
  - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
  - enquiry of management and legal advisors around actual and potential litigation and claims.
  - challenging the assumptions and judgements made by management in its significant accounting estimates, in particular those relating to the impairment of evaluation and exploration assets as reported in the key audit matter section of our report; and
  - obtaining confirmations from the bank to confirm existence of a sample of balances.
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and the component auditors and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with our engagement letter and solely for the purpose of meeting the Alternative Investment Market ("AIM") listing requirements under the London Stock Exchange. 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.

MHA
Auditor
London, United Kingdom
30 June 2026

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

Financial Statements

Consolidated statement of total comprehensive income for year ended 31 December 2025

	Note	**2025 US$000**	2024 US$000
General and administrative expenses		**(7,098)**	(2,283)
Operating (loss)	4	**(7,098)**	(2,283)
Finance Income		**39**	
(Loss) before taxation		**(7,059)**	(2,283)
Taxation	5	**-**	-
(Loss) for the year		**(7,059)**	(2,283)
Other comprehensive income (OCI)		**(161)**	(11)
Total comprehensive (loss)		**(7,220)**	(2,294)
(Loss) per share			
Basic (Cents)	12	**(0.9)**	(0.3)
Diluted (Cents)	12	**(0.9)**	(0.3)

Note: Other comprehensive income (OCI), Foreign currency translation loss for the year = $161k (2024: $11k)
Loss and total comprehensive loss for the year is attributable to the equity holders of the Parent Company and are from continuing operations.

The notes form an integral part of the financial statements.

Consolidated statement of financial position
as at 31 December 2025

	Note	**2025 US$000**	2024 US$000
Non-current assets			
Exploration and evaluation assets	6a	**85,300**	85,300
Property, plant and equipment	6a	**477**	555
		85,777	85,855
Current assets			
Other receivables	7	**403**	355
Cash and cash equivalents	8	**1,276**	110
		1,679	465
Total Assets		**87,456**	86,320
Non-current liabilities			
Lease liability	9a	**61**	71
Current liabilities			
Trade and other payables	9b	**865**	687
Lease Liability	9a	**16**	20
Net assets		**86,514**	85,542
Equity attributable to equity holders of the Parent Company			
Share capital	10	**327,249**	319,057
Accumulated losses		**(240,494)**	(233,435)
Foreign currency translation reserve		**(241)**	(80)
Total equity		**86,514**	85,542

The notes form an integral part of the financial statements.

These financial statements were approved by the Board of Directors and were authorised for issue on 30 June 2026 and were signed on its behalf by:

Mr Clifford Elphick
Director

Consolidated statement of changes in equity
for year ended 31 December 2025

	Note	Share Capital US$000	Accumulated deficit US$000	Foreign currency translation reserve US$000	Total Equity US$000
Balance at 1 January 2024		**317,027**	**(231,141)**	**(69)**	**85,817**
(Loss) for the year		-	(2,294)	-	(2,294)
Other comprehensive income (OCI)		-	-	(11)	(11)
Total comprehensive (loss) for the year		**-**	**(2,294)**	**(80)**	**(2,305)**
Issue of ordinary shares					
Issue of ordinary shares		2,029	-	-	2,029
Issue of ordinary shares		**2,029**	**-**	**-**	**2,029**
Balance at 31 December 2024		**319,057**	**(233,435)**	**(80)**	**85,542**
Balance at 1 January 2025		**319,057**	**(233,435)**	**(80)**	**85,542**
(Loss) for the year		-	(7,059)	-	(7,059)
Other comprehensive income (OCI)		-	-	(161)	(161)
Total comprehensive (loss) for the year		**-**	**(7,059)**	**(161)**	**(7,220)**
Issue of ordinary shares					
Issue of ordinary shares		21,572	-	-	21,572
Glencore buy-back		(15,000)	-	-	(15,000)
Equity settled share-based payment		1,620	-	-	1,620
Issue of ordinary shares		**8,192**	**-**	**-**	**8,192**
Balance at 31 December 2025		**327,249**	**(240,494)**	**(241)**	**86,514**

Note: Included within the Issue of ordinary shares, a bonus and deferred fees for Martin Knauth (CEO) agreed during 2025 was settled through an exchange for subscription of 7,751,938 shares. In addition, 1,500,000 shares granted during 2024 were exercised during 2025.

Consolidated cash flow statement
for year ended 31 December 2025

	Note	**2025 US$000**	2024 US$000
Cash flows used in operating activities			
(Loss) for the year		**(7,059)**	(2,294)
Adjustments for:			
Share based payments		**1,620**	-
Interest received		**(39)**	-
Net exchange (gain) / loss		**(50)**	17
Working capital changes:			
- (Increase)/Decrease in other receivables	7	**(48)**	838
- (Decrease)/increase in trade and other payables	9b	**178**	284
Net cash used in operating activities		**(5,398)**	(1,155)
Cash flows used in investing activities			
Net cash used in investing activities		**-**	-
Cash flows generated by financing activities		**-**	
Glencore loan (repayment)		**(15,000)**	(1,685)
Proceeds from share issuance		**21,572**	2,029
Principal portion of lease payments		**14**	-
Net cash flow generated by financing activities		**6,586**	344
Net increase/(decrease) in cash and cash equivalents		**1,188**	(811)
Cash and cash equivalents at beginning of year		**110**	899
Effect of movements in exchange rates on cash held		**(22)**	22
Cash and cash equivalents at end of year	8	**1,276**	110

Notes to the financial statements

1 Business information and going concern basis of preparation

Background

Zanaga Iron Ore Company Ltd (the "Company"), was incorporated on 19 November 2009 under the name of Jumelles Holdings Limited. The Company changed its name on 1 October 2010. The Company is incorporated in the British Virgin Islands ("BVI") with registered office is situated at 2nd Floor, Coastal Building, Wickham's Cay II, Road Town, P.O. Box 2221, Tortola, British Virgin Islands. On 18 November 2010, the Company's share capital was admitted to trading on the AIM Market ("AIM") of the London Stock Exchange ("Admission"). The Company's principal place of business as an investment holding vehicle is situated in Guernsey, Channel Islands.

The Company has four subsidiary companies, namely, Zanaga UK Services Ltd, Jumelles Ltd (BVI), Jumelles M Ltd (Mauritius) and Mining Project Development Congo SA (Republic of Congo).

Future funding requirements and going concern basis of preparation

The Directors have prepared the accounts on a going concern basis. As at 31 December 2025 the Group had cash reserves of US$1.3m. The Group had cash reserves of US$5.6m as of 30 June 2026.

Following completion of the 2026 Fundraise the Group is in a significantly improved financial position. Based on the current cost base at the Zanaga Project, the board of directors of ZIOC believes that the Group will be adequately positioned to support its operations going forward in the near future.

The Fundraising has removed any material uncertainty which could give rise to significant doubt over the Group's ability to continue as a going concern and, therefore, believes that Group will be able to realise its assets and discharge its liabilities in the normal course of business. The Board is satisfied the Group will have sufficient funds to meet its own working capital requirements up to, and beyond, twelve months from the approval of these accounts on 29 June 2026.

The Group continues to review the costs of its operational activities and maintains cost discipline to conserve its cash resources.

2 Material accounting policies

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

Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the United Kingdom ("UK Adopted IFRS"). UK Adopted IFRS comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") as adopted by the United Kingdom.

These consolidated financial statements comprise the Company and its subsidiaries (together referred as the 'Group').

These financial statements were authorised and approved for issue by the Group's board of directors on 30 June 2026.

Recent updates to standards and interpretations

The following IFRSs standards and amendments were effective from 1 January 2025

- Lack of Exchangeability (Amendments to IAS 21)

The amendments listed above did not have a material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New and revised IFRS Standards in issue but not yet effective

- Presentation and Disclosure in Financial Statements (IFRS 18)
  [effective for annual reporting periods beginning on or after 1 January 2027]

- Subsidiaries without Public Accountability Disclosures (IFRS 19)
  [effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted]

- Amendments to classification and measurement requirements for financial instruments (Amendments to IFRS 9 and IFRS 7)
  [effective for annual reporting periods beginning on or after 1 January 2026. Earlier application was permitted]

- Contracts referencing Nature dependent electricity (Amendments to IFRS 9 and IFRS 7)
  [effective for annual reporting periods beginning on or after 1 January 2026. Earlier application was permitted]

- Amendments to Illustrative Example on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 - Disclosure about Uncertainties in the Financial Statements
  [do not have an effective date. They were issued by the IASB in November 2025 as illustrative examples only and do not amend the requirements of the IFRS Accounting Standards]

These standards, amendments or interpretations are currently under review for reporting in future years, but they are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Measurement convention

These financial statements have been prepared on the historical cost basis.

The preparation of financial statements in conformity with UK Adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Basis of consolidation

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity where the group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

In case of acquisition of assets that do not qualify as a business, these are recognised as acquired when the Group obtains control over the asset, which is typically evidenced by legal ownership or the ability to direct the use and obtain the economic benefits.

Acquired assets are initially measured at their fair value, which represents the amount for which the asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Consideration paid for the asset acquisition is allocated to the individual assets and liabilities acquired based on their respective fair values at the date of acquisition. The fair value of acquired assets is determined using appropriate valuation techniques, such as market comparisons, income-based approaches, or other relevant methods.

The initial recognition and measurement of acquired assets and liabilities occur at the date when the Group obtains control over the assets, which is typically the date of legal transfer or other events signalling control. Subsequent measurement depends on the nature of the asset and is driven by the applicable standards.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Changes in ownership interests

An entity remeasures the previously held equity interest to fair value at the date on which it obtains control and recognises any resulting gain or loss in profit or loss or other comprehensive income, as appropriate.

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency

of each entity is determined based on the currency that mainly influences sales prices, operating costs, financing activities and cash flows.

The consolidated financial statements are presented in United States Dollars ("USD"), which is the presentation currency of the Group. All financial information presented in USD has been rounded to the nearest thousand (or million, as applicable), unless otherwise stated.

(ii) Transactions and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss.

All foreign exchange gains and losses are presented in the statement of profit or loss within general and administrative expenses.

(iii) Group companies

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

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Leases

Assets and liabilities arising from a lease are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, then at the Groups incremental borrowing rate. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Share-based payments

Employees

The Group makes equity-settled share-based payments to certain employees and similar persons as part of a Long-Term Incentive Plan ('LTIP'). The fair value of options granted is recognised as an expense within general and administrative expenses, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price).
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified period).
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where awards were granted to employees of the Group's associate and similar persons, the equity-settled share-based payments were recognised by the Group as an increase in the cost of the investment with a corresponding increase in equity over the vesting period of the awards.

Non-employees

Where the Group receives goods or services from a third party in exchange for a fixed number of its own equity instruments, the equity instruments and related goods or services are measured at the fair value of the goods or services received. These are recognised as the goods are obtained or the services rendered. Equity instruments issued under such arrangements for the receipt of services are only considered to be vested once provision of services is complete.

Non-derivative financial instruments

Financial assets and financial liabilities are initially recognised when the group becomes a party to the contractual provisions of the instrument in accordance with IFRS 9.

Financial assets are initially recognised at their fair value, including, in the case of instruments not recorded at fair value through profit or loss, directly attributable transaction costs. Financial assets are subsequently measured at amortised cost, at fair value through other comprehensive income (FVTOCI) or at fair value through profit or loss (FVTPL) depending upon the business model for managing the financial assets and the nature of the contractual cash flow characteristics of the instrument.

Financial liabilities, other than derivatives, are initially recognised at fair value of consideration received net of transaction costs as appropriate and subsequently carried at amortised cost.

Non-derivative financial instruments in the balance sheet comprise other receivables, cash and cash equivalents, and trade and other payables.

(i) Impairment of financial assets

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 expected credit loss recognised represents a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The expected credit loss allowance is determined on the basis of twelve month expected credit losses and where there has been a significant increase in credit risk, lifetime expected credit losses. Financial assets are credit impaired when there is no realistic likelihood of recovery.

(ii) Derecognition of financial assets and financial liabilities

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.

On derecognition of a financial asset/financial liability in its entirety, the difference between the carrying amount of the financial asset/financial liability and the sum of the consideration received and receivable/paid and payable is recognised in profit and loss.

Other receivables

Other receivable amounts due from related parties and trade receivables, which are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. See note 13 for a description of group's impairment policies.

Trade and other payables

Trade and other payables are initially recognised at the fair value of consideration received net of transaction costs as appropriate and subsequently measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash equivalents include investments with original maturities of three months or less from the date of acquisition.

Bank overdrafts that are repayable on demand and form an integral part of the Group's (or Company's) cash management arrangements are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. In these circumstances, bank balances and overdrafts are presented net within cash and cash equivalents.

Restricted cash balances are excluded from cash and cash equivalents where the restrictions prevent the funds from being readily available for use by the Group (or Company).

Share capital

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

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are cancelled.

Financing income and expenses

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Borrowing costs

Borrowing costs are expensed in the period in which they are incurred unless they relate to a qualifying asset, in which these are capitalised.

Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Segmental Reporting

The Group has one operating segment, being its investment in the Project, held through Jumelles.

Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares

Exploration and evaluation assets

Initial Recognition

Exploration and evaluation ("E&E") expenditure comprises costs incurred in connection with the exploration for and evaluation of mineral resources after the Group has obtained the legal rights to explore a specific area.

E&E assets are initially recognised at cost. Cost includes the acquisition costs of exploration rights, licence interests, geological and geophysical studies, exploratory drilling, trenching, sampling, technical feasibility assessments, environmental studies and other directly attributable expenditure incurred in identifying, evaluating and assessing the commercial viability of mineral resources.

Expenditure incurred prior to obtaining legal rights to explore an area is recognised as an expense when incurred. General and administrative costs are only included in the cost of E&E assets where they can be directly attributed to exploration and evaluation activities.

E&E assets are capitalised on a project-by-project or cash-generating unit basis and are classified as intangible or tangible exploration and evaluation assets according to the nature of the underlying expenditure.

Subsequent Measurement

Following initial recognition, E&E assets are carried at cost less any accumulated impairment losses. E&E assets are not depreciated or amortised while exploration and evaluation activities are ongoing and the technical feasibility and commercial viability of extracting a mineral resource have not yet been demonstrated. The Group capitalizes costs incurred during the exploration and evaluation phase, provided these costs meet the criteria for asset recognition.

Reclassification

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, evaluation and exploration assets are assessed for impairment, and any impairment loss is recognized before reclassification to development assets.

Impairment

Evaluation and exploration assets are reviewed for impairment indicators at each reporting date. An impairment loss is recognized if the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use.

Indicators of impairment include:

- The right to explore the area has expired or will expire in the near future and is not expected to be renewed.
- Substantive expenditure on further exploration and evaluation is not budgeted or planned.
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources, and the entity has decided to discontinue such activities in the specific area.
- Sufficient data exist to indicate that, although development in the specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or by sale.

Derecognition

Evaluation and exploration assets are derecognized upon disposal or when no future economic benefits are expected from their use. Any gain or loss arising from derecognition is included in the profit or loss for the period.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components of the item of property, plant and equipment and each component is depreciated over its estimated useful life.

Depreciation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- Fixtures and fittings 3-10 years

- Motor vehicles 4 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of expenses, assets and liabilities, and the accompanying disclosures as at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

Estimation and Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which has the most significant effect on the amounts recognised in the consolidated financial statements:

a) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared with respect to the viability of the exploration project. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

- Given the material risk but also upside potential, in our opinion, detailed disclosure in the Financial Statements should be made that:
    - the potential of the project is material, given the results of the 2014 FS and 2024 FS Update, the material reserves, etc.
    - the estimated Future Value considers the material risk at this phase, driven by the early/greenfield stage of the project, the relatively long development period of more than four years and large capital cost, and major project assumptions which might change in due course, but also country risk effects.
    - the volatility of the markets, including the global uncertain geopolitical situation and country risks adds to the risks that affect the project.
    - the sensitivity of the project to the weighted average cost of capital ("WACC") (and other major assumptions) could be indicated as: +/-0.5% change in the discount rate would change the value of the project by approximately -/+US$ 50-54m.
    - In accordance with IAS 1, management has considered reasonably possible changes in key assumptions that could occur within the next financial year. The sensitivity analysis has been prepared using a ±0.5% movement in the discount rate, which management considers to be a reasonably possible variation in the weighted average cost of capital based on current market conditions and the observable range of inputs used in its determination. A larger movement of ±1.0% is considered to represent a more remote stress scenario rather than a reasonably possible change. Accordingly, management believes that a ±0.5% sensitivity provides users with more relevant information regarding estimation uncertainty associated with the valuation of the Group's exploration and evaluation asset.
    - Commodity price assumptions materially impact the valuation of the Project, affecting either fair value less costs to sell or value in use.
        - Sensitivity: A 10% decline in the price of iron ore (Zanaga's primary commodity) could materially reduce the recoverable amount of the Project.
    - Changes in forecast production and capital or operating costs also affect impairment assessments.
        - Sensitivity: A 10% increase in capital or operating costs could reduce the recoverable amount, while a similar decrease would have the opposite effect.
    - due to the above factors, material risk and volatility of the Future Value could be expected under better/worse market or operational conditions.

b) Deferred taxes

At each balance sheet, the Group assesses whether the realisation of future tax benefits is sufficiently probable to recognise deferred tax assets. This assessment requires the use of significant judgment with respect to assessment of future taxable income. The recorded amount of total deferred tax assets could change if estimates of projected future taxable income or if changes in current tax regulations are enacted. Refer note 5 for further information on potential tax benefits for which no deferred tax asset is recognised.

4 Note to the comprehensive income statement

Operating profit/(loss) before tax is stated after charging/(crediting):

	2025	2024
	US$000	US$000
Share-based payments (see Note 11)	**1,620**	**-**
Foreign exchange (gain)	**(77)**	**(17)**
Foreign exchange loss	**27**	**-**
Directors' fees and other emoluments	**394**	**-**
Auditor's remuneration	**145**	**146**

Other than the Company Directors, the Group did not directly employ any staff in 2025 (2024: Nil). The Directors received remuneration for their services as Directors of the Group of $225K (2024: US$Nil).

5 Taxation

The Group is exempt from most forms of taxation in the BVI, provided the Group does not trade in the BVI and does not have any employees working in the BVI. All dividends, interest, rents, royalties and other expense amounts paid by the Group, and capital gains are realised with respect to any shares, debt obligations or other securities of the Group, are exempt from taxation in the BVI.

The effective tax rate for the Group is Nil % (2024: Nil %).

In case of the wholly owned subsidiary, Jumelles Limited, the Avenant to the MPD Convention applied from August 2010 provides corporate income tax exemption to foreign companies providing services to MPD for the benefit of the Zanaga project during the exploration and feasibility phase of the project. In 2011 a service note from the Congolese tax authorities gave further precisions and interpretations on the tax exemptions. The Mine Operating Agreement signed in August 2014 contains a detailed tax regime and in effect at the authorisation date.

Under the Mine Operating Agreement provisions of corporate tax exemption are as follows:

Complete exemption from corporate income tax during the First Exemption Period of 5 years from the First Financial Year which is defined as the financial year of the mining code ("SEM") as:

(i) after the year, in the course of which the date of Commercial Production Stage One occurs.
(ii) in relation to which previously reported tax deficits (ordinary losses and amortisations deemed deferred) have been set off against taxable profits.
(iii) in the course of which the SEM achieves a taxable profit.

An additional period of complete exemption from corporate income tax for a period of 5 years. However, this exemption will only apply to 50% of the taxable profit and will be applicable from the First Financial Year of the Second Exemption Period which refers to the financial year of the SEM as:

(i) after the year, in the course of which the date of Commercial Production Stage 2 occurs.
(ii) in relation to which it is established that the tax deficits previously reported (ordinary losses and amortisations deemed deferred) have been previously imputed in their totality to taxable profits.
(iii) in the course of which the SEM achieves a taxable profit.

Deferred tax assets

At 31 December 2025, the Group had no recognised deferred tax assets. The primary reason for this decision is the uncertainty surrounding the timing and likelihood of generating future taxable profits. The Group is currently in the exploration and evaluation stage, and it is not yet certain when, or if, it will begin generating profits.

6 Property, Plant and Equipment

	Motor vehicles US$000	Right of use asset US$000	Fixtures and fittings US$000	Exploration assets US$000	**Total US$000**
Cost					
Balance as at 1 January 2024	43	100	603	85,300	86,046
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 31 December 2024	**43**	**100**	**603**	**85,300**	**86,046**
Depreciation					
Balance at 1 January 2024	43	14	41	-	98
Charge for period	-	15	78	-	93
Balance as at 31 December 2024	**43**	**29**	**119**	**-**	**191**
Cost					
Balance as at 1 January 2025	43	100	603	85,300	86,046
Additions	-	-	16	-	16
Disposals	-	-	(6)	-	(6)
Balance as at 31 December 2025	**43**	**100**	**613**	**85,300**	**86,056**
Depreciation					
Balance at 1 January 2025	43	29	119	-	191
Charge for period	-	14	80	-	94
W/back charge on disposals	-	-	(6)	-	(6)
Balance as at 31 December 2025	**43**	**43**	**193**	**-**	**279**
Net book value					
Balance as at 31 December 2025	**-**	**57**	**420**	**85,300**	**85,777**
Balance as at 31 December 2024	**-**	**71**	**484**	**85,300**	**85,855**

The Right-of-use assets consist of office space and airstrip split as per table below:

	Office Space US$000	Airstrip US$000	Total US$000
Cost			
Balance as at 1 January 2025	87	13	100
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 December 2025	**-**	**100**	**100**
Depreciation			
Balance at 1 January 2025	25	4	29
Charge for period	12	2	14
Balance as at 31 December 2025	**37**	**6**	**43**
Net book value			
Balance as at 31 December 2025	**50**	**7**	**57**
Balance as at 31 December 2024	**62**	**9**	**71**

7 Other receivables

	2025	2024
	US$000	US$000
Receivables	**403**	355
	403	355

8 Cash and cash equivalents

	2025	2024
	US$000	US$000
Cash and cash equivalents	**1,276**	110
	1,276	110

9a Lease liability

	2025	2024
	US$000	US$000
Current portion	**16**	20
Non-current portion	**61**	71
	77	91

Under IFRS 16.53, the Group's lease-related expenses and cash flows during the year were as follows:

- Interest expense on lease liabilities amounted to $2 thousand (2024: $2 thousand).
- Total cash outflow for leases amounted to $25 thousand (2024: $25 thousand).

9b Trade and other payables

	2025	2024
	US$000	US$000
Trade payables	**865**	687
	865	687

No amounts payable are due in more than 12 months (31 December 2024: US$nil).

10 Share capital

In thousands of shares	**Ordinary Shares**	Ordinary Shares
	2025	2024
In issue as at 1 January	**675,793**	644,989
Shares bought back and cancelled	**(290,844)**	-
Shares issued	**447,430**	30,803
In issue as at 31 December	**832,380**	675,793

The Group is able to issue an unlimited number of no par value shares. 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 Group. No dividends have been paid or declared in 2025 or in the prior year (2024: US$nil).

Share capital changes in 2025

Bought back and cancelled 290,843,718 shares for $15.0m and issued 447,430,243 ordinary share raising $23.2m.

Nature and purpose of reserves

Foreign currency translation reserve

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

11 Share-based payments

Employees

There are no new awards that have been issued during the current and previous years ended 31 December 2025 and 31 December 2024 respectively.

Non-employees

The Group entered equity-settled share-based payment arrangements with certain non-employee service providers. These arrangements are accounted for in accordance with IFRS 2 Share-based Payment.

During the year ended 31 December 2025, the Group enabled external consultants and strategic advisors to subscribe to shares in exchange for their business development, capital raising and technical advisory service fees. The arrangements were therefore settled through the issuance of ordinary shares of the Group rather than as a cash settlement.

The following non-employees were **issued** shares

1. Martin Knauth (CEO) bonus and deferred fees amounting to $400k agreed during 2025 were paid through an exchange for subscription of 7,751,938 shares. The Share Subscription of value $400,000 accepted by board on 28 Feb 2025, Subscription Shares issued at US$0.0516 per share (the “Subscription Price”).

2. Andrew Trahar (consultant to the Group) fees of $350k agreed in 2025 paid for through an exchange for subscription of 6,782,946 shares. The Share Subscription of value $350,000 accepted by board on 28 Feb 2025, Subscription Shares issued at US$0.0516 per share (the “Subscription Price”).

3. A commission of 5% equating to $670k was agreed in 2025 for Number Two Enterprises LLC, a broker, in respect of the First Tranche Subscription Shares subscribed for by Rekamado, Mawaddah Ltd, Rubylous Ltd, Greymont Bay I LLC, Regatta HCRP I LP, Number Two Enterprise LLC, and Robert Sali payable on First Admission. The Share Subscription of value $670,000 for 12,984,497 shares was accepted by the board on 28 Feb 2025, Subscription Shares were issued at US$0.0516 per share (the “Subscription Price”). A further 5% commission equating to $200k for 3,875,969 shares was agreed for the same broker in respect to the second tranche of subscription shares subscribed and was also accepted by board on 28 Feb 2025, Subscription Shares issued at US$0.0516 per share (the “Subscription Price”).

The Group recognised share-based payment expense relating to non-employee arrangements as follows:

2025	$’000
a) CEO - advisory and consultancy services	400
b) Investment Relations - technical services	350
c) Broker commission fee	870
Total share-based payment expense (a + b + c)	1,620

The corresponding credit was recognised within equity. There were no share-based payments in the prior year.

Management believes that the disclosures above provide information that enables users of the financial statements to understand the nature and extent of the Group's share-based payment arrangements, how the fair value of the goods

or services received and the equity instruments granted was determined, and the effect of those arrangements on the Group's profit or loss and financial position.

In August 2024, the Group issued 1,500,000 shares options to a consultant (who is also currently the CEO) as part of the agreement for providing management services. These share options were exercised in 2025.

All unvested options will also vest on the occurrence of certain events, such as a change of control of the Group, which has now occurred. Once vested all options are exercisable within seven years of the grant date of award. The options have a nominal exercise price of 0.01p (one hundredth of one penny). The number of share options are as follows:

In number of shares	**Number of options 2025**	**Number of options 2024**
Granted during the year	-	1,500,000
Exercised during the year	1,500,000	-
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	1,500,000

12 (Loss) per share

	2025	2024
(Losses) US$,000	**(7,220)**	(2,294)
Weighted average number of shares (thousands)		
Basic		
Issued shares at beginning of period (a)	**675,793**	644,989
Shares bought back and cancelled during the year (b)	**(290,844)**	-
Shares issued during the year (c)	**447,430**	30,803
Weighted average number of shares adjustment at end of period - basic (d)	**(26,188)**	-
Weighted average number of shares up until 31 December 2025 = (a) + (b) + (c) + (d)	**806,192**	675,793
Loss per share		
Basic (Cents)	**(0.9)**	**(0.3)**
Diluted (Cents)	**(0.9)**	**(0.3)**

13 Financial Risk Management and Fair value measurements

I. Financial Risk Management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (comprising currency risk and interest rate risk). The Group seeks to minimise potential adverse effects of these risks on the Group's financial performance. The Board has overall responsibility for managing the risks and the framework for monitoring and coordinating these risks. The Group's financial risk management policies are set out below:

(a) 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 receivables related parties. The Group has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. At 31 December, the Group's maximum exposure to credit risk was as follows:

	2025 US$000	2024 US$000
Cash and cash equivalents	**1,276**	110
Receivables	**403**	355

Significant concentrations of credit risk manifest with the Group's banking counterparties with which the cash and cash equivalents are held, and accounts receivable from Jumelles.

The Group has assessed its receivables for impairment in accordance with IFRS 9. Based on this assessment, the Group concluded that there are no expected credit losses (ECL) to be recognized in respect of these receivables.

(b) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured or secured basis at an acceptable price to fund actual or proposed commitments. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and availability of adequate committed funding facilities.

The Group evaluates on a continuous basis, the amount of liquid funds that may be required for business operations, in order to secure funding needed for business activities.

The maturity profile of the Group's financial liabilities based on the contractual terms is as follows:

$'000	**Less than 12 months**	**More than 12 months**	**Total**
2025			
Borrowings	-	-	-
Lease liabilities	16	61	77
Accounts payable	865	-	865
Total	881	61	942
2024			
Borrowings	-	-	-
Lease liabilities	20	71	91
Accounts payable	687	-	687
Total	707	71	778

(c) Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that changes in foreign exchange rates will affect the Group's income or value of its holdings of financial instruments, if any.

The foreign currency denominated financial assets and liabilities are not hedged, thus the changes in their value are charged or credited to profit and loss.

The Group's exposure to foreign currency risk at the end of the reporting period is as follows:

	31/12/2025			31/12/2024		
	XAF	*EURO*	*GBP*	XAF	EURO	GBP
	$ 000	*$ 000*	*$ 000*	$ 000	$ 000	$ 000
Cash and cash equivalents	151	22	418	15	-	95
Receivables	11	-	3	5	-	350
Payables	(396)	-	(365)	(289)	-	(399)
Total	**(234)**	**22**	**56**	(269)	-	46

The following significant exchange rates applied during the year:

	Average rate 2025	**Reporting date spot rate 2025**	Average rate 2024	Reporting date spot rate 2024
Against US Dollars	**US$**	**US$**	US$	US$
Pounds Sterling	**1.3394**	**1.3448**	1.2515	1.2515

(ii) Sensitivity analysis

A 10% weakening of the following currencies against US Dollar at the end of the reporting period would have increased/(decreased) equity and profit or loss by the amounts shown below. This calculation assumes that

the change occurred at the end of each reporting period and has been applied to risk exposures existing at that date. This analysis further assumes that all other variables remain constant.

	Equity 2025 US$000	**Profit or loss 2025 US$000**	Equity 2024 US$000	Profit or loss 2024 US$000
Pounds Sterling	**(6)**	**(6)**	(85)	(85)

A 10% strengthening of the above currencies against the US Dollar at the end of the reporting period would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(iii) Capital management

The Board's policy is to maintain a stable capital base so as to maintain investor and market confidence. Capital consists of share capital and retained earnings. The Directors do not intend to declare or pay a dividend in the foreseeable future but, subject to the availability of sufficient distributable profits, intend to commence the payment of dividends when it becomes commercially prudent to do so.

The Group has a share incentive programme which is now administered by the Board. The share incentive programme is discretionary, and the Board will decide whether to make share awards under the share incentive programme at any time.

Fair value of financials assets and liabilities

All the financial assets and liabilities are measured at amortised cost. The carrying amounts of all financial assets and liabilities are a reasonable approximation of their fair values.

14 Commitments for expenditure

None.

15 Related parties

In accordance with IAS 24 *Related Party Disclosures*, the immediate parent company and the ultimate parent company of the Group is Zanaga Iron Ore Company.

As required by IAS 1.138(c), Zanaga Iron Ore Company is the parent undertaking of the Group and is also the ultimate parent entity. Zanaga Iron Ore Company prepares publicly available consolidated financial statements in which the Group is included.

I. Subsidiaries

(a) Wholly owned subsidiaries

- Zanaga UK Services Limited
- Jumelles Limited

(b) Indirectly wholly owned subsidiaries (held by Jumelles Limited)

- MPD Congo
- Jumelles M Limited

II. Entities that have significant influence

- Glencore International AG

The following transactions occurred with related parties during the period:

	Transactions for the period		Closing balance (payable)/receivable	
	2025	2024	**2025**	2024
	US$000	US$000	**US$000**	US$000
Funding:				
Loan from Glencore to Jumelles Limited	**-**	(1,685)	-	-
*Glencore buy-back of shares	**15,000**			
Share options:				
Martin Knauth (CEO)	**400**	15	-	15

*Note: As of February 2025, Glencore's control was removed following on from the share buyback arrangement

16 Transactions with key management personnel

	2025	2024
	US$000	US$000
Directors' fees	**225**	**-**
Total	**225**	**-**

The Directors have no material interest in any contract of significance subsisting during the financial year, to which the Group is a party.

17 Subsequent Events

I. Proposed Strategic Investment in Zanaga Project - Binding Term Sheet Signed (10 February 2026)

Pages 15 - 18 of the Strategic Report set out detailed strategic transaction with Red Arc Minerals Inc ("RAM"), a private investment company backed by leading mining industry executives and focused on the development of strategic-scale high-grade iron ore assets.

ZIOC and its wholly owned subsidiary, Jumelles BVI Limited ("Jumelles"), signed a binding term sheet ("The Binding Term Sheet") for a proposed strategic investment by RAM in the Group's Zanaga Iron Ore Project (the "Zanaga Project" or the "Project").

The proposed strategic investment by RAM enables the completion of essential technical work to advance the Project towards a FID. It would also secure additional upside value potential and further optionality linked to the successful development of the Project for the benefit of ZIOC shareholders and stakeholders in the Republic of Congo. As a result, the Board believes that the Transaction has the potential to deliver meaningful value to ZIOC shareholders both in the short and long term, while also being non-dilutive to ZIOC shareholders.

The Transaction is subject to the completion of due diligence, entering into of definitive documents as well as approval by shareholders and regulators as set out in the Binding Term Sheet.

Jumelles is a wholly owned subsidiary of ZIOC and currently holds a 100% interest in the Zanaga Project.

II. 2026 Equity Raise

The Strategic report also provides detail regarding the equity raise where the group raised aggregate gross proceeds of £5.7 million (about US$7.7 million) through a placing, subscription, and retail offer, issuing 142 million shares at 4 pence each ("2026 Equity Raise") with a settlement date of 22 May 2026. The placing was oversubscribed, showing strong investor confidence in the Group's strategy, progress, and future opportunities. The following announcements were made for this:

- Launch of Placing, Subscription and Retail Offer announced (14 May 2026)

- Result of Placing, Subscription and Retail Offer announced (15 May 2026)
- Admission to Trading and Total Voting Rights published (21 May 2026)

III. Conversion of directors' deferred fees since February 2023 into Director Fee Shares

Directors of the Group converted deferred fees owing to them, totalling US$888,134 in aggregate, into Director Fee Shares. Details as follows:

Director	**Position**	**Current shareholding**	**Deferred fees settled by the Director Fee Shares**
*Clifford Elphick	Non-Executive Chairman	79,907,592	US$344,607
Clinton Dines	Non-Executive Director	2,133,317	US$229,738
Jonathan Velloza	Non-Executive Director	1,843,452	US$229,738
Phil Mitchell	Non-Executive Director	2,422,481	US$84,051

**Clifford Elphick, the non-executive Chairman of the Group is indirectly interested in 79,907,592 of these Ordinary Shares, which are registered in the name of Guava Minerals Limited, by virtue of his interest as a potential beneficiary in a discretionary trust which has an indirect interest in those Ordinary Shares.*

The proposed issuance of the Director Fee Shares is expected to constitute a "Related Party Transaction" pursuant to AIM Rule 13. Further information will be set out in the 'Results of Capital Raising' announcement when it is released in due course.

The Director Fee Shares would, when issued, rank pari passu in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

Director and Management Participation in the Subscription

Certain directors and senior management of the Group participated in the Capital Raising for an aggregate amount of approximately £346,748.

*** End of Financial Statements ***

Glossary

AL_2O_3	Alumina (Aluminium Oxide)
DRI	Direct reduced iron
Fe	Total iron
FS	Feasibility study
JORC Code	The 2004 or 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.
LOI	Loss on ignition
LOM	Life of mine
Mineral Resource	A concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
Mn	Manganese
Ore Reserve	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves. A Probable Ore Reserve has a lower level of confidence than a Proved Ore Reserve but is of sufficient quality to serve as the basis for a decision on the development of the deposit.
P	Total phosphorus
PFS	Pre-feasibility Study
SiO_2	Silica
Beneficiation	The process of improving (benefiting) the economic value of the ore by removing the waste minerals, which results in a higher-grade product (concentrate)
Pelletisation	The process of compressing or moulding a material into the shape of a pellet
Mtpa	Million Tonnes Per Annum
MoU	Memorandum of Understanding
NPV	Net Present Value

Resource Appendix

JORC Code 2012, Table 4 for Zanaga Iron Ore Project, located in Republic of Congo, as at September 2013

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	The deposit was sampled between 2007 and 2013 by diamond and reverse circulation ("RC") drilling on an average grid of 100 x 400 m at the northern end of the deposit and 200 x 400 m at the southern end of the deposit. The central area is more densely drilled to 100 x 200 m, 100 x 100 m and 100 x 50 m grids, with the tighter drilling east-west along the sections. A total of 323 diamond holes were drilled for 74,614 m and 908 RC holes for 103,439 m. Drill holes are inclined to the west typically at an angle of 60° to intercept the true thickness of mineralisation where possible. Drilling at the closest spacing give intersections around 100 x 100 m apart. The maximum number of intersections into the fresh material on any one section is 5, averaging 1-2 intersections per unit. The diamond core was sampled at 1 m intervals to the lithological contacts and the RC chips were sampled at 2 m intervals (with a few exceptions where samples are 1 m). A paint line on the mast allowed drillers to identify the 2 m intervals adequately. RC samples were split twice at the drill site using a three tier splitter to produce A and B samples, each of which represent 6.25% of the original sample. The A and B sample weights vary between 2.5 and 3.5 kg each depending on the horizon intersected. Samples A and B are then tagged and labelled.

Criteria	JORC Code explanation	Commentary
		Diamond drill ("DD") samples were split using a core saw or where too friable for sawing, were cut or cleaved in half. CSA Global (UK) Ltd ("CSA") reviewed the drilling and sampling procedures prior to the Mineral Resource Estimate ("MRE") being completed and concludes that the sampling techniques are suitable, of good practise for the style of mineralisation so as to ensure reliable and representative data is collected for downstream MRE use. 54 RC holes were twinned by DD to validate RC data and this is described in more detail in "*Verification of sampling and assaying*".
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	DD drilling commenced using PQ or PQ3 rods to produce 85 / 83.1 mm diameter core from surface which reduced to HQ or HQ3 (63.5 / 61.1 mm diameter) and in some cases to NQ / NQ3 (47.6 /45.1 mm diameter) with depth. All DD drilling was completed using triple tube. DD core was oriented by means of a Reflex ACE tool with three levels of confidence in the orientation recorded in the database, indicating high, moderate and low confidence. This enables interrogation of the oriented data using the appropriate level of confidence. RC holes have the bit type and bit size (mm) recorded in the database. Often a wider bit was used for the pre-collar and a smaller diameter bit for the remainder of the hole. The average depth of the PQ/PQ3 pre-collar was 50 m but varied between 14 m and 99 m, with depth being a function of the oxidation profile and depth of friable materials.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential*	DD core recoveries were recorded per drilled run by measuring the length recovered compared to the length drilled.

Criteria	JORC Code explanation	Commentary
	loss/gain of fine/coarse material.	In the competent lithologies (competent itabirite ("ITC"), transitional itabirite ("ITT") and banded iron formation ("BIF"), the core recovery was excellent with mean recoveries of 92%, 92% and 97% respectively. Recovery was poorer in the friable materials (colluvium and canga "COL", goethitic itabirite "ITG" and friable itabirite "ITF") with mean recoveries for DD core of 69% for COL, 74% for ITG and 86% for ITF. CSA did not see drilling actively take place during the site visit (the drill program had just ended), however, a review of the procedures was completed, and they state that shorter runs should be employed through the more friable material. For RC samples, recovery was measured by comparing the actual weight of sample drilled and the theoretical weight of the material. Of 38,645 RC samples, 38,406 had sample weights, and therefore recovery data for near 100% of data could be reviewed. Sample recovery for RC drilling was approximately 50%, which is considered low, particularly with respect to fresh BIF material. The reason for the low recovery is believed to be due to the presence of water in samples, with no auxiliary booster in place to keep the samples drilled at depth dry. A review of recovery by sample condition (dry, moist, wet) showed that recovery was best for dry samples. A review of Fe grade by sample condition showed good compatibility and suggests that no bias was introduced by the inclusion of moist and wet samples. However, if further drilling is conducted, CSA recommends that efforts are made to keep samples dry through the use of an auxiliary booster. CSA investigated the relationship between iron grade and recovery and found there was no definable relationship between recovery and grade. In addition, the comparison between DD core, where there is very good recovery and RC chips shows excellent correlation. In conclusion, the low

Criteria	JORC Code explanation	Commentary
		recovery observed in RC chips does not introduce bias into the resource, and are suitable for use in the MRE.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	RC chip samples were logged for lithology on 2 m intervals at the rig. Magnetic susceptibility readings were measured at the rig. All RC chips were logged for lithology and chip trays were stored to preserve the record. DD core was orientated and lithologically and geotechnically logged at the Mining Project Development Congo ("MPD") Camp core shed where it was also photographed. Magnetic susceptibility readings were taken. DD logging was completed on 1 m intervals or <1 m where contacts between geological units were encountered (<5% total records). All DD core was logged. Core was photographed on completion of logging, and prior to sampling. Pathways to core photographs are stored in the database. The level of information gained from the sampling is of sufficient quality and consistency to be used for the basis of Mineral Resource Estimation, mining studies and metallurgical studies.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material*	Core was orientated and sampled on 1 m intervals. Where core was not orientated, samples are between 0.5 and 1.5 m in length. Some samples (<0.3% of total number) are less than 0.5 or greater than 1.5 m in length. 31% of DD core was split in half using a core saw and sampled along the apex of the structures in the core. 69% of DD core was quarter split, due to the requirement to retain samples for metallurgical test work. If the apex line coincided with the orientation line, the core was sampled 5 mm to the right of the line. Where half core samples were submitted for

Criteria	JORC Code explanation	Commentary
	being sampled.	preparation and analysis, the remaining half was stored for reference. Where quarter core samples were submitted for preparation and analysis, one half was available for metallurgical test work, and the remaining one quarter was stored for reference. Checks on the compatibility of sample types was completed – quarter core vs half core, chips vs core, and samples showed a very high level of correlation. Where core was too friable for sawing, it was sampled using a machete. The majority (98%) of RC chips were sampled at 2 m intervals. Dry RC samples were split twice at the rigs using a three tier splitter and wet samples were collected in bulk, dried in the sun, and then split by a three tier Jones Riffle splitter into approximately 3 kg samples. The sample weights were recorded at each stage of the process to enable recoveries be calculated. Original sample condition (dry, moist, wet) is recorded in the database. The samples were prepared at the on-site ALS Chemex facility where they were crushed to 70% passing 2 mm then split to obtain 1,000 g sample (through a 50:50 Jones riffle splitter). The 1,000 g samples were then pulverised to 85% passing 75 µm with the remaining crushed sample retained for reference purposes. 100 g of the pulp was submitted to ALS Chemex in Perth for XRF analysis. The remaining pulp was stored on site for reference. Lab standards, duplicates and blanks were reviewed and no issues were identified. 100 g pulps were analysed on site by portable XRF using a desktop Niton. Comparison of Niton and laboratory analyses showed an excellent correlation. Field duplicates were sampled and analysed using both portable XRF Niton and laboratory XRF methods. They were collected at the same time as the primary sample, using the same sampling protocol and were used

Criteria	JORC Code explanation	Commentary
		to measure the precision of the sample preparation and analysis and results indicate that the procedures in place are working. The sample preparation procedures are appropriate for the iron ore mineralisation at Zanaga.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	The primary samples were analysed by multi-element XRF (fused disc) at ALS Chemex (Perth, Australia) for Al_2O_3, As, Ba, CaO, Cl, Co, Cr_2O_3, Cu, Fe, K_2O, MgO, Mn, MnO, Na_2O, Ni, P, Pb, S, SiO_2, Sn, Sr, TiO_2, V, Zn, Zr and Loss on Ignition at 105°C, 400°C, 650°C and 1,000°C. 1,166 samples from the magnetite bearing material (ITC, ITT and BIF) were also analysed by Davis Tube Recovery at ALS Perth. A portable XRF (Niton XL3t) was used on site to collect additional oxide analyses from 100 g of the remaining pulp after sample preparation. Calibration of the machine was done at the beginning of each day. Field duplicates were used to assess the precision of the Niton results. Niton results were reviewed against laboratory assays, and were found to have an excellent correlation, but were not used in the MRE, since laboratory assays were available for all samples. Blanks, Field Duplicates and Certified Reference Materials ("CRMs") were used to monitor the precision and accuracy of the analytical data through insertion into the sample stream before submission to the laboratory. 1,938 of the primary samples (approximately 2%) were analysed by XRF at umpire laboratories (Ultratrace and ALS Perth). Field duplicates were inserted into the sample stream at a rate of 5%, field blanks at a rate of 3.4%, CRMs at a rate of 2.5% constituting an overall 10.9% check on the original data. 17 different standards were used to cover the expected ranges of iron mineralisation. In addition, the

Criteria	JORC Code explanation	Commentary
		laboratory quality assurance and quality control ("QAQC") material was reviewed (17% CRMs and blanks and 13% pulp splits). On analysis of the results of the QAQC system CSA concluded: There was good correlation (correlation coefficient of 0.98) between the Niton and laboratory results. High analytical precision was demonstrated by good correlation between duplicate and original samples. Accuracy was demonstrated by the majority of CRMs. A small number of QC samples appeared to have been affected by contamination and misallocation of standard IDs. The proportion was small enough to be considered not material. The results of blanks analysis suggested that there may have been an issue of sample switching in the laboratory preparation since two samples showed noticeable contamination. Overall, the blanks performed well and showed no material contamination (noting that the field blanks were uncertified sands sourced locally). Overall, the laboratory procedures and analysis were considered appropriate and did not indicate bias.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	Two umpire laboratories (Ultratrace and ALS Perth) were used to verify samples during the drilling campaigns. Other QAQC checks were employed as outlined above.

Criteria	JORC Code explanation	Commentary
		Sampling, Logging, Niton and Data Management Procedures were documented and have been reviewed by CSA and are considered fit for purpose. Maria O'Connor verified logged intercepts from several DD and RC drill holes while on site. Collar locations were field checked, database spot checks conducted, and geological interpretation and review were completed during the site visit. The site visit lasted four days from 4th May until 7th May 2012 inclusive. Drilling had stopped during the site visits completed by CSA, and therefore, drilling procedures were not verified first hand. However, sample preparation and logging were still ongoing, and CSA verified that these were being completed as outlined in the procedures. The information collected from the drill site, core shed and laboratory was digitally entered and imported into DataShed software (a data management system by Maxwell GeoServices). 54 RC holes were twinned and results were reviewed and show good correlation. No adjustments were made to the data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	Drill collars are surveyed on completion of the hole using a Total Station (Sokkia) differential GPS in the WGS84 projection and UTM coordinate system. The topographical survey used is a LiDAR based digital terrain model which gives a very high level of accuracy. Downhole surveys were recorded at the end of the hole using a gyro survey. The data was also collected at regular intervals of 2 m, 3 m or 5 m in the majority of cases. Older data recorded downhole surveys by a

Criteria	JORC Code explanation	Commentary
		camera shot tool at the end of the hole and at approximately 30 m intervals. Where drill holes collars were picked up by hand held GPS, and the difference between the surveyed RL and topography was greater than 2 m, the collars were draped onto the topography, since the reliability of a hand held GPS in the RL can be considered low. Where collars were ±2 m from the topography, coordinates were sent to site for verification. The level of topographic control and accuracy of the drill hole and sample locations is suitable for the reporting of Mineral Resources.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	The deposit was sampled between 2007 and 2013 by DD and RC drilling on an average grid of 100 x 400 m at the northern end of the deposit and 200 x 400 m at the southern end of the deposit. The central area is more densely drilled to 100 x 200 m, 100 x 100 m and 100 x 50 m grids, with the tighter drilling east-west along the sections. The drilling pattern is sufficiently dense to interpret the geometry and boundaries of the iron mineralisation with confidence. The data quantity and distribution is considered appropriate for the reporting of Inferred, Indicated and Measured Mineral Resources. Samples were composited to 2 m within each of the different lithological zones for the majority of drilling, which CSA believes is appropriate given the original sample size and support of the RC and DD drilling.
Orientation of data in relation to	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a*	The majority of the drill holes have been orientated perpendicular to the dipping lenses so that sampling bias is not introduced although the

Criteria	JORC Code explanation	Commentary
geological structure	*sampling bias, this should be assessed and reported if material.*	geometry of the iron mineralisation indicates there are faults that offset the mineralisation that are sometimes sub- parallel to the sections. The sampling configuration has not introduced any material bias to the grade and tonnage estimation.
Sample security	• *The measures taken to ensure sample security.*	Core samples taken from surface holes are kept in secure storage on the Zanaga camp until submission to the laboratory for analysis. The Chain of Custody is managed by Glencore Iron Ore ("Glencore") personnel on site.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	CSA visited site to review and audit the drilling, logging and sampling on site in March 2012 and May 2012. CSA considers the sample collection and assaying techniques to be appropriate for the style of geometry and style of mineralisation and the data is suitable for use in the Mineral Resource Estimate.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The licences are owned by MPD, a company wholly owned by Zanaga Iron Ore Company ("ZIOC"). Glencore is majority joint venture partner with ZIOC and has effective management control of the project. On 14th August 2014, a mining licence was awarded over a single permit area – Zanaga – covering 499.3 km^2. This mining licence replaces two exploration licences that had previously covered the same area (Zanaga-Bambama and Zanaga- Mandzoumou). The mining licence has been granted for a duration of 25 years, with options to extend as per the

Criteria	JORC Code explanation	Commentary
		Mining Code of Republic of Congo. The Zanaga deposit lies wholly within the licence boundary. The licence name is 2014-443 and the coordinates are in the following table (extracted from the 'Permis Zanaga' mining licence document). SOMMETS / LONGITUDES / LATITUDES A 13° 32' 14" E 2° 27' 36" S B 13° 32' 13" E 2° 35' 22" S C 13° 34' 37" E 2° 35' 22" S D 13° 34' 37" E 2° 37' 29" S E 13° 34' 18" E 2° 37' 29" S F 13° 34' 17" E 2° 45' 31" S G 13° 34' 46" E 2° 45' 31" S H 13° 34' 46" E 2° 49' 55" S I 13° 34' 26" E 2° 49' 55" S J 13° 34' 26" E 2° 52' 34" S K 13° 35' 08" E 2° 52' 34" S L 13° 35' 08" E 2° 57' 37" S M 13° 35' 42" E 2° 57' 37" S N 13° 35' 42" E 2° 58' 40" S O 13° 38' 17" E 2° 58' 40" S P 13° 38' 17" E 2° 53' 00" S Q 13° 37' 50" E 2° 53' 00" S R 13° 37' 51" E 2° 48' 53" S S 13° 37' 21" E 2° 48' 53" S T 13° 37' 22" E 2° 40' 17" S U 13° 37' 59" E 2° 40' 17" S V 13° 38' 00" E 2° 35' 22" S W 13° 41' 35" E 2° 35' 22" S X 13° 41' 35" E 2° 27' 37" S
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Resistivity survey work was undertaken by the United Nations Development Programme between 1967 and 1969 which reported a strong resistivity contrast between the mineralised and unmineralised lithologies.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The mineralisation of the Zanaga deposit comprises a series of Itabirite sequences steeply dipping to the east at 60-65°.

Criteria	JORC Code explanation	Commentary
		The deposit is overprinted by a horizontal weathering profile with colluvium and canga at surface (40-60% Fe, 4-8 m), underlain by goethitic itabirite (45% Fe, 6-10 m), friable itabirite (40-45% Fe, 10-26 m), competent itabirite (35-40% Fe, 6-24 m), transition material (30-35% Fe in places, 4-12 m thick) and the primary unweathered magnetite BIF (25-30% Fe). Overall, the eastern units are higher grade than the western units. The geological descriptions reveal that the Canga, Colluvium and goethitic units are structureless and do not have a prominent banding in the rock which implies that the base of oxidation is at the base of the goethitic clay. Immediately below this, the units may still display some oxidation but are more similar to saprock with the original mineralised structures still visible, until the fresh BIF is reached. The contacts between the different weathering profiles are generally transitional over a distance of up to 5 m in places but more usually 1-2 m.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		It is the Competent Person's opinion that listing this material would not add any further material understanding of the deposit and Mineral Resource. The Project is at an advanced stage of exploration, resource development and mine planning. Furthermore, no Exploration Results are specifically reported.
		
		However, all available drill hole data is contained in the SQL database.
		
		The following table summarises drilling data used in the MRE. It has been adapted from "JORC Technical Report on the September 2013 Mineral Resource Update of the Zanaga Iron Ore Project, Republic of Congo" (referred to hereafter as the "2013 JORC Technical Report").

Criteria	JORC Code explanation	Commentary
		<table><tr><th rowspan="2">Area</th><th rowspan="2">Hole Type</th><th colspan="3">Total 2013 MRE Update</th></tr><tr><th># Drill holes</th><th>Metres</th><th># 2m Composites</th></tr><tr><td rowspan="2">North</td><td>DD</td><td>198</td><td>49,841</td><td>12,425</td></tr><tr><td>RC</td><td>512</td><td>63,368</td><td>18,036</td></tr><tr><td rowspan="2">Central</td><td>DD</td><td>91</td><td>19,268</td><td>3,529</td></tr><tr><td>RC</td><td>325</td><td>33,295</td><td>8,832</td></tr><tr><td rowspan="2">South</td><td>DD</td><td>34</td><td>5,504</td><td>952</td></tr><tr><td>RC</td><td>71</td><td>6,777</td><td>1,506</td></tr><tr><td rowspan="2">Total</td><td>DD</td><td>323</td><td>74,614</td><td>16,906</td></tr><tr><td>RC</td><td>908</td><td>103,439</td><td>28,374</td></tr><tr><td colspan="2">Grand Total</td><td>1,231</td><td>178,053</td><td>45,280</td></tr></table> Drill holes ranged from 8 to 318 m for RC holes, and 14 to 657 m for DD holes. The average depth for RC holes was 114 m and for DD holes was 231 m. 178,053 m of drilling was available for use in the MRE, with 74,614 m coming from 323 DD holes and 103,439 m coming from 908 RC holes. The vast majority of holes were drilled between 55° and 70° to the west.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Samples were composited to 2 m intervals for use in the estimation. No bottom cut for Fe was applied. Al2O3, SiO2, %S, %P, LOI, MnO, MgO, CaO, K2O and Na2O composite values were top-cut in some domains, where necessary.
Relationship between mineralisation widths and	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there*	Drill holes are inclined to the west, typically at an angle of 60° in order to try to intercept the true thickness of mineralisation.

Criteria	JORC Code explanation	Commentary
intercept lengths	*should be a clear statement to this effect (eg 'down hole length, true width not known').*	The drilling was generally perpendicular to the geometry of the orebody. In a small number of cases, there may be sub-optimal intersections due to locally changing orientations of the orebody due to faulting and intrusions, but the proportion is considered low relative to the amount of data, and is not likely to introduce bias into the dataset.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Maps and sections showing the location of the mineralisation are presented in the 2013 Technical Report, which includes plan views, cross sections showing the location of the deposit, the data, interpretations, resistivity and block model.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Exploration Results are not reported here, but data used in the resource is representative of mineralisation. Sample intercepts have been composited so that all data is weighted equally. High grade outliers are managed through top cutting prior to grade estimation.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Resistivity surveying was undertaken between 1967 and 1969 by the United Nations Development Programme. A small program of down-hole geophysical logging was completed in 2012. This comprised of 29 holes. This data has not been reviewed in the context of the Mineral Resource and has therefore not been used. Evaluation of Landsat Enhanced Thematic Mapper Satellite and SRTM elevation data of the licence area. Select pitting and trenching. Detailed ground mapping.

Criteria	JORC Code explanation	Commentary
		Airborne magnetic survey and interpretation. Bulk density was measured on an ongoing basis during the drill programs using the water displacement method on billets of core. QAQC was completed on bulk density measurements through spot-checks of the bulk density dataset and re-measurement using the same procedures.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	The project is currently in the advanced exploration / resource development / mine planning phase. A figure showing the magnetic anomaly and its 47 km extent at Zanaga is presented in the 2013 JORC Technical Report. It remains partially unexplored, but no further work is planned at present.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	Data validation procedures are in place to ensure integrity of the data in the geological database which is housed in an SQL database with inbuilt validations, constraints and triggers. Assays were merged into the database from the laboratory assay certificates. The drill hole data was checked for errors and validated in Datamine before modelling of the deposit. Any apparent errors were discussed with personnel on site and investigated, with the database being corrected on site, and re-exported, prior to further work.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	Maria O'Connor, Senior Resource Geologist, CSA, and Robyn Belcher, Principal Database Geologist, CSA, visited site on separate visits during May 2012 and March 2012 respectively. Robyn Belcher visited site

Criteria	JORC Code explanation	Commentary
		between 27th and 30th March 2012. During the site visit, a review and audit of the drilling, logging, sampling and data management procedures was completed. Malcolm Titley, Principal Consultant, CSA, and Competent Person for the MRE has not visited site. However, he supervised the site visit completed by Maria O'Connor, between 4th and 7th May 2012. Collar locations, DD core and RC chips were checked against logs, the procedure of measuring density was observed, the sample preparation procedures were observed and the sample preparation facility was inspected. The conclusions from the site visit were that sample collection procedures are to industry standard or better, and that data collected was fit for use in the MRE. Note: no drilling was observed during the site visit. The drill program for the MRE had finished in February 2012.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	The geological modelling of the iron-bearing zones is based on the geological logging codes of DD core and RC chips. 2D sectional interpretations of these units, snapped to drill hole intersections, were completed on drill sections at 100 and 200 m spacing along strike (over 25 km) within the defined resource area. The deposit was modelled in three contiguous blocks, termed North, Central and South. The majority of interpretation was completed on site and any anomalous logging was checked against chips and core. The mineralised units dip to the east at between 60-70°. The units have been modelled between 1 and 300 m in thickness, with the average downhole length being approximately 45 m. The northern units are the thickest, between 150 and 200 m, the central units are between 20 and 150 m, and the southern units are between 10 and 60 m in thickness. Internal waste of greater than 5 m thickness was modelled separately. In addition, the surfaces between the six material type zones were

Criteria	JORC Code explanation	Commentary
		generated, based on lithological logging codes, COL, ITG, ITF, ITC, ITT and BIF. The interpretation of colluvium differs from ITG, ITF, ITC, ITT and BIF in that mineralisation is not solely focused directly above BIF. The reason for this is that extreme weathering has mobilised it to drape over a wider area than that defined by the mineralisation wireframes. The interpretation was extended beyond the BIF units by 50 m where supported by drill data and resistivity. A waste surface was digitised to define sub-grade material close to surface, whose thickness was between 1 and 5 m. Major units were extended down to the 100 and 0 mRL based on the deepest intercept encountered along strike. Minor units, particularly in the west, which were less well supported by data, were extended to the 400 and 200 mRL. The continuity of grade in the other units is directly related to the continuity of the BIF units, and Fe grades decrease with depth through the various units. There are faults, some which offset or terminate mineralisation in places. There is a mapped ultramafic body that terminates mineralisation between the Central and Northern units, and several dykes are noted in the logging. Overall, there is good confidence in the geological interpretation of the deposit.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	The MRE has a strike length of over 25 km. The depth below surface is approximately 500 to 600 m, while the plan width extent is approximately 1,200 m at its widest point, made up of several sub-parallel vertical units. Individual units range from approximately 5 to 500 m width.

Criteria	JORC Code explanation	Commentary
		The deepest mineralised drill intercept was at 0 mRL in the North, 180 mRL in the Central and 140 mRL in the south.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	The MRE was constrained by the wireframes as detailed in the "Geological Interpretation" section above. The samples within the mineralised wireframe were composited to 2 m which, given the potential bench height and average sample length is considered appropriate. No bottom cut was considered necessary for Fe. The composites were then considered for top cutting in the case of Al2O3, SiO2, %S, %P, LOI, MnO, MgO, CaO, K2O, Na2O. Anomalous values were reduced to the cut value and the pre and post capping statistics for these variables do not have a significant effect on the mean grade in the majority of cases. 17 domains were used for estimation, divided by lithology and geographically into the west and east units. In addition, the COL domain was subdivided into a low Fe grade and high Fe grade domain, and the ITG into low Fe, moderate Fe and high grade Fe domains. The geological interpretation was central to domaining, with hard boundaries modelled between COL, ITG, ITF, ITC, ITT and BIF. Variography was performed on the composites. Directional variograms were modelled for Fe and were modelled for the six lithological domains. The ranges varied along strike between 650 and 2,050 m, across strike between 130 and 640 m and down dip between 9 and 82 m. All variograms were horizontally orientated, except those for the BIF which were orientated with an azimuth of 010° and a dip of -70° to the east. Variograms were modelled for Al2O3, S, P, SiO2 and LOI in the COL, ITG and ITF horizons, where deleterious elements are most concentrated. The normalised Fe variogram parameters were used for interpolation of

Criteria	JORC Code explanation	Commentary

Al_2O_3, SiO_2, %S, %P, LOI, MnO, MgO, CaO, K_2O and Na_2O where variograms were not modelled in the ITC, ITT and BIF.

The estimation was completed in Micromine Software. The block model, was not rotated and has a parent cell size of 50 m x 50 m x 10 m (X, Y, Z), which is considered compatible with the drill spacing in Measured and Indicated areas. The minimum sub-block size was set as 5 m x 5 m x 1 m to honour the volume of the wireframes more accurately. The grades were interpolated by Ordinary Kriging in three search passes with increasing search radii and decreasing minimum number of samples, including a minimum number of four holes for interpolation. The zones were interpolated with samples from the lithological code. The search ellipse for estimation was orientated in the same direction as the variograms.

Sample search rotations and neighbourhoods are presented in the following tables.

Material	Orientation	Axes		
		Azimuth	Plunge	Rotation
Colluvium	All	0	0	0
ITG	All	0	0	0
ITF	All	0	0	-36
ITC/ITT/BIF	100	5	0	-55
	200	325	0	-45
	300	10	0	-45
	400	0	0	-50
	500	350	0	-60
	600	0	0	-50
	700	10	0	-60

Criteria	JORC Code explanation	Commentary

Run	Material	Search Radii			Samples used			
		1	2	3	Min	Max	Angular Sectors	Min Holes
1	Colluvium	300	50	12	6	40	4	4
	ITG	300	50	12	6	40	4	
	ITF	300	50	12	6	40	4	
	ITC/ITT/BIF	200	135	10	12	40	4	
2	Colluvium	600	100	24	6	40	4	
	ITG	600	100	24	6	40	4	
	ITF	600	100	24	6	40	4	
	ITC/ITT/BIF	400	270	20	12	40	4	
3	Colluvium	1500	250	60	3	40	4	1
	ITG	1500	250	60	3	40	4	
	ITF	1500	250	60	3	40	4	
	ITC/ITT/BIF	2000	1350	20	5	40	4	

Grade estimation was completed for Fe, SiO_2, Al_2O_3, S, P, LOI, Mn, MgO, CaO, K_2O and Na_2O to fully characterise the mineralisation in terms of product specifications.

The model was validated by visual checks, comparing the global average grade against the output block model grades and the generation of swath plots by easting and northing. (For further details see the JORC Technical Report 2013).

Production has not commenced at Zanaga, and therefore there is no production data available for reconciliation.

A previous MRE was completed by SRK in 2011. A further 284 holes for 51,044 m were drilled and assays returned from a further 135 holes that had not been available for that MRE. The geological interpretation was in line with the original MRE and completed on site, updated to reflect the new data, and extended at depth (100 m beyond intercepts) where drilling supported continuity of the BIF units. A check estimate using IDW

Criteria	JORC Code explanation	Commentary
		was completed alongside the MRE and compared closely with the reported MRE. Recovery of by-products is not considered relevant for this style of deposit. Work completed during Variography to assess the use of the Fe variogram for other variables showed correlation with Fe varies by unit. The following table shows the correlation coefficient results of cross-validation of other variables using the Fe variogram. The correlation between Fe and CaO, MnO and MgO is poor in certain units, and this may be related to the presence of mafic/intermediate intrusives or faulting, resulting in a different control on the distribution. Further work could be completed on this by modelling different orientations on for these variables, which would be unlikely to have a major effect on the total chemistry of the block. However, these elements do not appear to impact the overall DTR recovery and concentrate grade which counters any urgency on this work.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	The resource estimates are expressed on a dry tonnage basis and in-situ moisture content is not estimated.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	Grade or deleterious element cut-off was not applied in the MRE. The MRE was reported on a global basis.

Lith	Al_2O_3	CaO	SiO_2	S	P	LOI	MnO	MgO	K_2O	Na_2O
Colluvium	0.72	0.30	0.78	0.79	0.78	0.72	0.27	0.26	0.54	0.39
ITG	0.79	0.20	0.86	0.84	0.64	0.82	0.45	0.34	0.61	0.17
ITF	0.81	0.14	0.89	0.65	0.74	0.84	0.43	0.42	0.53	0.21
ITC	0.79	0.73	0.91	0.52	0.68	0.81	0.57	0.65	0.60	0.69
ITT	0.75	0.86	0.94	0.45	0.74	0.74	0.49	0.70	0.65	0.63
BIF	0.75	0.81	0.95	0.49	0.81	0.69	0.80	0.73	0.69	0.65

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	CSA undertook a preliminary Whittle optimisation on the grade model prior to classification to satisfy the criteria that the resource reported is "potentially economic". This was used to constrain the mineralisation for reporting purposes. Benchmarked costs were used against a selling price of 130 USD/dmtu with 5% mining dilution. The Whittle parameters used are listed in the 2013 JORC Technical Report and reproduced below.

Criteria	JORC Code explanation	Commentary
		Revenue / **units** / **Model** Iron price (USDc/dmtu) 130 Government royalty (%) 3% Discount rate (%) 0% **Mining** Mining recovery (%) 95.0% Mining Dilution (%) 5.0% Operation mining cost at surface (waste) (USD/t) 1.04 Operation mining cost at surface (ore free dig) (USD/t) 0.99 Operation mining cost at surface (ore D&B) (USD/t) 1.12 Incremental mining cost ($USD/t/10m_{bench}$) 0.025 **Processing** Hematite processing cost (USD/t_{ore}) 3.11 Magnetite processing cost (USD/t_{ore}) 2.41 Tailing cost ($USD/t_{tailings}$) 0.99 Total Hematite Processing Cost (USD/t_{ore}) 3.66 Total Magnetite Processing Cost (USD/t_{ore}) 3.07 General & administrative cost (USD/t_{ore}) 0.29 Transport (USD/t_{conc}) 5.84 Port (USD/t_{conc}) 1.06 Total Transport (USD/t_{ore}) Total Transport Hematite (USD/t_{ore}) 3.09 Total Transport Magnetite (USD/t_{ore}) 2.32 Total Cost Hematite (USD/t_{ore}) 7.04 Total Cost Magnetite (USD/t_{ore}) 5.68 COL Fe recovery (%) 59.2% ITG Fe recovery (%) 72.4% ITF Fe recovery (%) 69.9% ITC Fe recovery (%) 53.3% ITT Fe recovery (%) 65.1% BIF Fe recovery (%) 74.8%
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	Davis Tube Recovery test work was completed on 1,166 samples which covered ITC, ITT and BIF (the magnetite bearing lithologies). Bench scale grind-recovery tests were completed to determine the optimum grind size required to produce a saleable quality magnetite concentrate. Based on this test work, samples have a P97 of 75 microns with an expected P80 of 45 microns. The average mass recovery for the samples was 41% for a recovered concentrate grade of 68%. More detail has been provided in Section 4 Estimation and Reporting of Ore Reserves, which was reported in the Updated Reserve Statement for Zanaga Iron Ore Project, 30th September 2014.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	Detail regarding Environmental factors or assumptions has been provided in Section 4 Estimation and Reporting of Ore Reserves, which was reported in the Updated Reserve Statement for Zanaga Iron Ore Project, 30th September 2014.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	In-situ dry bulk density measurements were estimated from DD core using the water displacement method which is considered appropriate for the characteristics of the majority of mineralisation at Zanaga i.e. competent core with very low permeability. Core was coated in wax as part of the procedures. In-situ dry bulk density ("BD") data was collected in a systematic way throughout the deposit and there is a substantial dataset from all material types to adequately ascertain the tonnage factor and be considered representative of the deposit. 21,451 BD values were available and BD values less than 1.5 t/m3 and greater than 4.0 t/m3 were removed as outliers in the dataset. CSA reviewed density by grade and by lithology unit and results suggested that variations in bulk density were most sensitive to lithology.

Criteria	JORC Code explanation	Commentary
		Variability was low within lithological units, and there was no obvious relationship between grade and density within these units. Where density was a function of grade, it appeared to be with depth, which correlated to lithological boundaries. CSA assigned densities by lithology unit. Other methods of estimating density were considered e.g. regression and block estimation. On balance, CSA decided to assign average densities due to the lack of variability within lithological units. Regressions can be strongly influenced by the existence of outliers, while estimation of density through Kriging for example, can result in problems during production and reconciliation. Where lithologies are more friable, and likely to crumble when cored during DD drilling, densities may be difficult to verify. The volume of such material is a relatively small proportion of the resource but in situ dry bulk density can be estimated for bulk samples obtained during any small scale excavations for mining or metallurgical test work. Simple volume and mass checks should be taken and bulk density values compared with those already produced.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	The MRE for the Zanaga Project has been classified as Measured, Indicated and Inferred Mineral Resources, based on the guidelines specified in the JORC Code (2012 Edition). CSA has considered the following in determining the classification of the MRE: • Adequate validation of drilling, sampling and geological process completed during two site visits by Robyn Belcher, Principal Data Geologist, and Maria O'Connor, Senior Resource Geologist, CSA, in March and May 2012. The site visits included validation of tenement data, drill data, drilling and sampling procedures (note: no drilling was taking place during either visit), review of the

Criteria	JORC Code explanation	Commentary
		geological mapping and core/chip logging and field checks on existing hole collars and outcrop; • Adequate geological evidence for continuity of mineralisation in the reporting of the mineral resource; • Completion of a sampling and multi element assaying program suitable to estimate the grade of the mineralised material; • Adequate DD core and RC chip sampling; • Adequate QAQC controls in place to validate data used and ensure control on the estimation of the in-situ grade of mineralised material; • Adequate drill spacing nominally at 100 m east-west and 100 m north-south to define Measured material, 200 m east-west and 200 m north-south to define Indicated material and a whittle shell to assist in constraining what deep material is classified as Inferred Mineral resources; • Robust variography with good cross validation results which supported the ranges of Fe grade continuity indicated by drilling as well as the continuity of Al2O3, SiO2, S, P and LOI in COL, ITG and ITF where variability in these deleterious variables are likely to be at their highest; • Adequate twinning of RC drill holes to validate grades; • Adequate DD core sampling to determine the dry in situ bulk density in order to estimate the tonnage of mineralisation; • Completion of Davis Tube Recovery test work demonstrating the potential processing requirements, indicative recovery factors

Criteria	JORC Code explanation	Commentary
		and potential quality of a saleable magnetite concentrate suggesting that Fe can be recovered from the lithology units with minimal contaminant issues. The additional criteria used to classify this MRE as Indicated and Measured Mineral Resources were: For Indicated Mineral Resources: • Block grade estimated using an average sample distance of between 100 and 200 m; • Slope >0.4. For Measured Mineral Resources: • Block grade estimated using an average sample distance ≤ 100 m; • Slope >0.6. Block-by-block estimates of slope were smoothed into geologically reasonable and coherent zones that reflect a realistic level of geological and grade estimation confidence taking into account the amount, distribution and quality of data by wireframing. The remaining blocks have been classified as Inferred Mineral Resources if: • they are within the resource shell guided by the whittle optimisation; and

Criteria	JORC Code explanation	Commentary
		• they do not meet the criteria specified above for Indicated or Measured Mineral Resources. The only exception to point (a) are units close to the surface, namely COL, ITG and ITF, which fall outside the conceptual pit shell, but have been included in the MRE as Inferred Mineral resources. CSA is satisfied that the shallow nature of these units means that these units can be considered as having potential to be economically extracted, as required under JORC (2012) and therefore satisfy the criteria of being included as resources in the MRE. The classification of the MRE reflects the Competent Person's view of the deposit
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	In house CSA reviews have been conducted prior to the release of the MRE to Glencore. SRK completed a review of the MRE prior to work commencing on the estimation of ore reserves. This is outlined in JORC Table 1 Section 4 Estimation and Reporting of Ore Reserves, reported in the Updated Reserve Statement for Zanaga Iron Ore Project, 30th September 2014.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the*	The MREs have been prepared, classified and reported in accordance with the JORC (2012) code by CSA. Resource modelling has been completed using drilling data and geological interpretation to produce a resource within a lithological boundary (and therefore at a 0% Fe cut-off). The total Mineral Resource (as at 30th September 2013) comprises 2.33 Bt of Measured Mineral Resources at 33.7% Fe, 2.46 Bt of Indicated

Criteria	JORC Code explanation	Commentary
	estimate should be compared with production data, where available.	Mineral Resources at 30.4% Fe and 2.1 Bt of Inferred Mineral Resources at 31.0% Fe. The risks with respect to grade variability are considered low due to the low variability of Fe grade particularly in the magnetite bearing material where the majority of the resource lies. The confidence level is reflected in the MRE classification of the resource. If excavations are completed to estimate in-situ dry bulk density, particularly in the friable, less competent hematite units (representing 11% of the M&I material), this information can be used to verify the density data used in the MRE. The high level of drilling density and modelling of the deposit show its geological and grade continuity and provides a high level of confidence for the MRE. Mining of the deposit has not commenced and therefore production data is not available. The MRE models are provided as a basis for long term planning and mine design, and are not designed to be sufficient for short term planning and scheduling.

Reserve Appendix

JORC Code, 2012 Edition Table 4 for Zanaga Iron Ore Project, located in Republic of Congo, as at September 2013

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	The Mineral Resources were estimated by CSA global, and this is detailed in *"JORC Technical Report on the August 2012 Mineral Resource Update, Zanaga Iron Ore Project, Republic of Congo for Xstrata Iron Ore"* authored by Malcom Titley and Maria O'Connor of CSA Global. The Mineral Resources are reported inclusive of the Ore Reserves.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	A site visit was undertaken by the Competent Person in January 2014.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	The Feasibility Study (2014) assessed three different production options. The study level varies between pre-feasibility and feasibility for the various study disciplines. The deposit had two pre-feasibility study options completed in 2010 and 2012 which evaluated product rates of 45Mtpa and 30Mtpa respectively.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	A variable Fe head grade cut-off has been applied by each lithology: COL – 30%Fe (Processing Cut-Off) ITG – 11%Fe (Economic Cut-Off) ITF– 8%Fe (Economic Cut-Off) ITC – 9%Fe (Economic Cut-Off) ITT – 15%Fe (Processing Cut-Off) BIF – 15%Fe (Processing Cut-Off)
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	**Geotechnics** Weathered Rock (pit depth < 30m) – 35º OSA (overall slope angle) Weathered Rock (pit depth >30m) – 30 º OSA Footwall Fresh Rock – 40 º OSA Hangingwall Fresh Rock – 50 º OSA The geotechnical design criteria for the pit slopes are considered to be at a Feasibility Study level. **Grade Control** Standard blasthole sampling will be used for grade control. No material pre-production drilling has been planned. **Hematite - Stage 1** The proposed mining method is a standard truck and shovel method on a 5m bench height. Drill and blast is only required at the ITC lithological boundary. Overland conveyors are required to transport ore from the four main mining areas to the plant.

Criteria	JORC Code explanation	Commentary
		The resource model was regularized to a selective mining unit of 10m by 10m by 5m resulting in overall mining loss and dilution modifying factors of 1% and 6% respectively for the COL, ITG, ITF and ITC lithologies. The Ore Reserves are reported within a pit design which is based on a pit optimisation using a USc121/dmtu metal price when constrained to the hematite material. It is noted that there is no material increase in pit size above the USc80/dmtu revenue factor. The pit optimisation was run inclusive of Measured, Indicated and Inferred Classified Mineral Resources. The Inferred Classified Mineral Resources represent approximately 12% of the ore within the Stage 1 pit design. The pits have been designed to a minimum bench width of 30m to accommodate a maximum truck size of 130t capacity. The stage 1 plan includes Measured, Indicated and Inferred Classified Mineral Resources. The Inferred Classified material accounts for 1.2% (3Mt), 2.2% (7Mt) and 25.1% (115Mt) of the ex-pit classified plant feed for years 0 to 10, 11 to 20 and 21 to year respectively. The exclusion of the Inferred Classified Mineral Resources in the financial model does not have a material difference to the project value. **Magnetite - Stage 2** The proposed mining method is a standard truck and shovel method on a 15m bench height. Drill and blast is required. Overland conveyors are required to transport ore from the four main mining areas to the plant. Global modifying factors of 5% and 5% have been applied for mining loss and dilution for the ITT and BIF lithologies. These global factors are reflective of the estimated losses and dilution modelled for the Zanaga Pre-Feasibility study in the North Region at a 15m bench height. No grade modifications have been made to the deleterious elements. The Ore Reserves are reported within a US$33/dmtu pit shell constrained to the North Region. The pit optimization was run inclusive of Measured and Indicated Classified Mineral Resources. There are no material quantities of Inferred Classified Mineral Resources within the Stage 2 pit shell. The pre-feasibility study (2012) demonstrated that there is no material difference in ore and waste tonnages when the engineered pit is compared with the optimized pit shell. It is expected that an engineered design for the magnetite phase would not have a material impact on the pit shell ore and waste tonnages. The stage 2 plan only includes Measured and Indicated Classified Mineral Resources.
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the*	**Hematite Circuit (Stage 1):** The hematite beneficiation circuit is based on gravity separation using spirals, with a supplementary recovery stage using flotation. This is a well-tested technology. Ore is crushed and then milled using SAG mills to -0.6mm, following which it is de-slimed (slimes to tailings), then split into Coarse and

Criteria	JORC Code explanation	Commentary
	metallurgical domaining applied and the corresponding metallurgical recovery factors applied. • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	Fine fractions, with each fraction subjected to two stages (rougher and cleaner) of spiral separation. The spiral stages produce Concentrate, Tailings (from the rougher stage) and Middlings (rougher middlings plus cleaner tailings). The Middlings are reground (coarse stream only) to -0.25mm then subjected to a further two stage spiral circuit, again producing Concentrate, Tailings and Middlings. These Middlings are further reground (to 65□m) and de-slimed (slimes to tailings), with the de-slimed material subjected to reverse flotation for silica rejection. Flotation produces Concentrate and Tailings. The combined Concentrate streams are further reground to meet the requirements of the slurry pipeline. Test work has been undertaken in support of the development of the proposed flowsheet. However, SRK considers that the level of test work undertaken and reported is deficient with regard to the following aspects: • Gravity separation test work has been undertaken using shaking tables, which provide a close but not exact reproduction of the performance of spirals. In addition, the tabling work was undertaken on a "whole" sample, i.e. not in a Coarse / Fine configuration, and the entire middlings stream was reground. For a Feasibility Study level of investigation, SRK would expect a spiral pilot plant to have been undertaken. The Glencore FS report refers to some preliminary spiral work as being in progress, but no results of such a programme are reported. • Only a small number of bench scale flotation tests have been undertaken. While these were reasonably successful, the flowsheet envisages feeding much lower grade material to the flotation circuit than was tested, and the estimated mass recoveries to the floated phase are very high as a proportion of the feed material. SRK therefore expects that the flotation performance may be less successful than is being assumed. In addition, SRK notes that the flotation stage recoveries assume a constant figure irrespective of lithology type and head grade. Again, particularly given the extrapolation from test work to the plant design criteria, SRK would expect to see much more test work having been conducted to support a FS level of investigation. However, SRK notes that the contribution of the flotation stage to the overall product is small. • Limited SAG mill test work has been undertaken and the results indicate larger sized SAG mills than planned may be required. Additional test work will be required prior to finalizing the mill sizing during basic engineering. The methodology used to develop the operating cost for the Stage 1 beneficiation plant is appropriate for a FS. However, given the uncertainty over the specification of the SAG mills, and given that (a) power is the largest contributor to the operating cost and

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		(b) the largest power consumers in the plant are the SAG mills, SRK believes that sufficient contingency should be added to the financial evaluation to reflect the precision of the operating cost estimate. Regression relationships have been developed between Fe head grade and Fe recovery for the three lithology types that represent the Phase 1 feed to the Stage 1 plant (COL, ITG and ITF). These relationships appear to be reasonable based on the test work conducted, bearing in mind the use of a constant recovery figure used for the flotation stage. However, a constant Fe recovery of 70% is assumed for the ITC lithology type, which is a key component of the Phase 2 operation of the Stage 1 plant. This recovery figure is not well supported by test work data. **Magnetite circuit (Stage 2):** The magnetite beneficiation circuit assumes a conventional magnetite separation configuration based on the use of sequential stages of wet Low Intensity Magnetic Separation (LIMS). This is well tested technology. The flowsheet envisages three stages of grinding, each followed by a stage of LIMS. The first grinding stage will be using AG mills, the second using pebble mills, and the third using a ultrafine grinding mill, such that the feed to the third stage of LIMS is already of a size suitable for slurry pipeline transportation. The Stage 2 plant design is only at a PFS stage of investigation and cost estimation. SRK concurs with this assessment; the previous study into the processing of this material utilised a different flowsheet, and so the test work used to support the proposed flowsheet uses relatively basic Davis Tube Test results. However, this type of test work is appropriate for magnetite ores, certainly up to a PFS level of investigation. Constant Fe recovery figures have been used for the two Magnetite Circuit lithology types: 75% for ITT and 80% for BIF. The Davis Tube Test results reported indicate that a non-linear relationship is more appropriate, however as an average figure, the figure of 80% for the BIF material is probably reasonable. The Glencore FS report notes that the 75% figure assumed for the ITT material is "now considered too aggressive", however given that the ITT material represents only 12% of the planned Stage 2 ore feed (the remainder being the BIF material), the overall impact of the difference between the assumed figure of 75% and a more reasonable "flat line" figure of the order of 70% is probably not material.
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	An ESIA for the project has been undertaken and the ESIA report was submitted to the regulatory authorities in early 2014 for review and approval. Receipt of the environmental permit is a prerequisite to receipt of the mining licence. The ESIA states that the underlying rocks do not contain compounds with acid generation potential, and therefore the risk of acid rock drainage or metals leaching is unlikely.

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		Separate environmental approvals for waste storage facilities are not currently required in the Republic of Congo.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided or accessed.*	**Infrastructure** A series of terraced plateaux are required to support the proposed mine site infrastructure, which will be expanded to match the increase in production. Run of mine will be transported by overland conveyor to the beneficiation and concentrate slurry batching plant. The RoC government will be responsible for developing all local, diversion and access roads. During Stage 1, 12Mtpa of concentrate will be transported by a 367km long slurry pipeline to a new port facility 30km from Pointe Noire. A second slurry pipeline will be required to transport the additional 18Mtpa of concentrate during Stage 2. Raw and processing water will be drawn from a series of surface water attenuation reservoirs, recycling within the process circuit and reclamation from the tailings storage facilities. Package water treatment and wastewater plants will be provided to supply drinking water and treat foul water. Labour will be predominantly sourced from within RoC with requirements for expatriates planned to reduce over the initial 11 years of operation. Dedicated workforce camps will be provided at the mine and port sites. Two 158km and 200km long, 220kV transmission lines will connect the mine site with existing national power infrastructure. There is sufficient existing generation capacity to support Stage 1, although daily blackouts present a project risk. Additional generation capacity is required to support Stage 2. The RoC power authority will be responsible for all power infrastructure capital investment. At the port site, following dewatering activities, concentrate will be stored in conventional open stockyards. During Stage 1, concentrate will be transported along a 625m long jetty and loaded onto 12,500DWT transshipment vessels, protected by a detached 385m long breakwater. Transshipment operations will load 250,000DWT Capesize ocean going vessels approximately 3 nautical miles from shore. To support direct loading of 250,000DWT vessels during Stage 2, the jetty will be extended by 1.33km, with additional capital dredging required to create an approach channel and turning basin. Dewatering and stockyard infrastructure will also be expanded. During operation all spares and consumables will be received at the existing PAPN port and transported to the mine site by road. There is an opportunity to export 2 to 6 Mtpa of DSO during Stage 1 using road haulage, existing rail infrastructure and a new berth at existing PAPN port. This opportunity has not been considered in depth and is dependent upon access to existing rail infrastructure.

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		Tailings The first cell within the facility (TMF 1) will be developed in the catchment area located immediately west of the plant site. This will provide sufficient storage for 295Mt of tailings over the first 15 years of operations. The second tailings dam (TMF 2) will be constructed during Year 15 of operations, thus allowing deposition to commence in this area at year 16. This area will provide storage for a total of 369Mt of tailings. The stage 2 option involves deposition of 295Mt in TSF 1 over a period of 12 years and follows the same initial sequence as stage 1. Upon reaching full capacity, deposition will switch to a new cell (TSF 3) located to the west of the northern extent of the mineralised zone. Previously called the 'North TSF Option' (SRK, 2010), this catchment will be developed due to the proximity to a second plant (Plant 2), which will be commissioned as part of the expanded case. The remaining 1,043Mt of tailings will be stored in TSF 3, which will be raised to a maximum elevation of 596.5mRL.
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	Capital and operating costs have been estimated for both Stage 1 and Stage 2 of the project for a 30-year project period to achieve a 30 Mtpa product rate. The capital costs are estimated in USD with a Q1 2014 base date. Estimations of project capital costs are based on first principles built up. Some cost estimates from the previous ZIOP PFS's have been escalated and incorporated into the FS. Adjustments have been made to the IODEX 62% pricing to include a Fe unit and quality adjustment for the two products. Transport changes are based on the slurry pipeline, port and transhipping operating costs. All costs and revenues have been estimates in USD using the following exchange rates: GBP UK Pound EUR Euro CHF Swiss Franc AUD Australian D XAF CFA Franc ZAR SA Rand A 3% royalty on revenues is payable to the government. The government maintains 10% free carry equity in the project.
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	Long term price assumptions used in the optimisation of the mining study, as at May 2014, were based on an IODEX 62%Fe forecast of US\$100/t_{dry} (USc162/dmtu at 62%Fe) with adjustments for quality, deleterious elements, moisture and freight. Freight costs of approximately US\$22.50/t_{wet} were used to determine FOB pricing from RoC to China (Quingdao). The June 2016 financial evaluation is based on reduced long term CFR iron ore price forecasts of US\$60/t_{dry} at 62%Fe with adjustments for quality, deleterious elements, moisture and freight to support the Ore Reserve. Freight costs of US\$10.50/t_{wet} have been used to

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		determine FOB pricing from RoC to China (Quingdao). Allowances for Fe unit premiums, quality adjustments and moisture adjustments result in an average FOB selling price assumption of: • US$54.20/t dry for concentrate from hematite; and • US$56.80/t dry for concentrate from magnetite.
Market assessment	• The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. • A customer and competitor analysis along with the identification of likely market windows for the product. • Price and volume forecasts and the basis for these forecasts. • For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	The products targeted by the Zanaga Iron Ore Project are two pellet feed products: • From Hematite: 66%Fe, 3%SiO2, 0.8%Al2O3, 0.04%P • From Magnetite: 68.5%Fe, 3.3%SiO2 to 3.7%SiO2, 0.3%Al2O3 to 0.4%Al2O3, <0.01%P No fundamental analysis of supply, demand and price and volume forecasts specific to the Zanaga Iron Ore Project has been undertaken. The basis for the long-term pricing assumption which supports the Ore Reserves has been sourced by The Group from consensus IODEX 62% Fe forecast (Standard Chartered, June 2016). Seaborne iron ore supply is dominated by Australia and Brazil, with South Africa, Canada the CIS and others making a smaller contribution to the total. The primary market competition will come from existing and expanding pellet feed supply in Brazil and new supply from Australia. A US$60/$t_{dry}$ at 62%Fe CFR long term price (real terms) has been used in the financial evaluation to support the Ore Reserve. This long-term price is based on the analysis of consensus IODEX price forecasts as at June 2016. Shipping rates of US$10.50/$t_{wet}$ have been estimated from RoC to China to determine FOB pricing. Allowances for Fe unit premiums, quality adjustments and moisture adjustments result in an average FOB selling price assumption of: • US$54.20/t dry for concentrate from hematite; and • US$56.80/t dry for concentrate from magnetite.
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	The financial modelling undertaken inclusive of only Measured and Indicated Classified Mineral Resources produces a positive NPV project at an appropriate discount rate. Based on the updated freight assumptions, the project requires a CFR IODEX 62% Fe Concentrate price of US$51.00/$t_{dry}$ in order to provide a real terms internal rate of return of 10%.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	The land acquisition, resettlement and the associated compensation process will led by the government. Land acquisition and resettlement for the areas occupied by the mine site and transport corridor have not been initiated. Delays to the land acquisition, compensation and resettlement processes could delay initiation of the construction phase. The project development schedule

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		envisages resettlement of villages in the mine area in the first year of construction. Resettlement is a key issue for the project. At the mine site, 3,100 people are expected to be resettled (700 people for stage 1 and the remainder for stage 2). Resettlement planning has not commenced. As part of the process of preparing a resettlement action plan the resettlement agreement/ entitlement framework needs to be negotiated. It is not uncommon for it to take more than two years after the start of resettlement planning (i.e. after the announcement of the census cut-off date).
Other	*To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	Applications for an environmental permit have been submitted to the Government. There is no information on how far through the permitting process the environmental permit application is. Delays in the issue of the environmental permit may impact the Project schedule. On 14th August 2014, a mining licence was awarded over a single permit area – Zanaga – covering 499.3 km^2. This mining license replaces two exploration licences that had previously covered the same area (Zanaga-Bambama and Zanaga-Mandzoumou). The mining licence has been granted for a duration of 25 years, with options to extend as per the Mining Code of Republic of Congo. The Zanaga deposit lies wholly within the licence boundary. SRK is not aware of any issues that would prevent renewing the mining licence to cover the full life of mine plan. The Project plans a two-stage development to produce 30Mtpa of high-grade iron ore concentrate plus the potential for up to 2Mtpa of DSO. The application for environmental permit pertains to the Stage 1 development only. There is an existing Mining Convention between MPD and the Government that applies in respect of exploration works within the exploration licences. A Mining Convention between MPD and Government that will regulate the operating conditions for all components of the project has been negotiated and was signed on the 14th of August 2014. This Mining Convention was approved by the Supreme Court in March 2015, and by the Council of Ministers in October 2015, ratified by the Parliament of the Republic of the Congo ("RoC") in April 2016 and was published in the Official Gazette' of the RoC on 20 May 2016.
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	There are Measured, Indicated, and Inferred Classified Mineral Resources within the block model. **Hematite** Only Measured and Indicated Classified Mineral Resources with the design pits have been converted to Proved and Probable (Measured to Proved, Indicated to Probable). **Magnetite** Only Measured and Indicated Classified Mineral Resources with the pit shells have

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		been converted to Probable (Measured and Indicated to Probable). All of the Measured Mineral Resources attributable to the Stage 2 magnetite expansion have been downgraded to Probable Ore Reserves due to the reduced study level as compared with Stage 1.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	Ore Reserves of 2,500Mt at 34%Fe have been historically stated by CSA Global (December 2012) following the completion of a pre-feasibility study evaluating a 30 tpa production rate.
Discussion of relative accuracy/confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation.* • *Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	The Mineral Resources which the Ore Reserves are based upon constitute 2,400Mt of Measured Resources at 34.0%Fe, 2,2900Mt of Indicated Resources at 30.8%Fe and 2,100Mt of Inferred Resources at 31.0%Fe as authored by the Competent Person, Malcolm Titley, an employee of CSA Global ("CSA"). Overall, SRK does not consider there to be material bias in the underlying data or grade estimate and modelling methodology employed by CSA that would affect the classification of the Mineral Resources. However, the assignment of average densities to lithological units gives lower confidence to local tonnage estimates. In addition, the bulk density sampling and determination methodology may result in a bias and is likely to overstate the tonnages.

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