

KONKOLA COPPER MINES PLC

REPORT AND GROUP FINANCIAL STATEMENTS
For the year ended 31 March 2025

KONKOLA COPPER MINES PLC

REPORT AND GROUP FINANCIAL STATEMENTS

for the year ended 31 March 2025

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KONKOLA COPPER MINES PLC

REPORT OF THE DIRECTORS

for the year ended 31 March 2025

The Directors submit their report and the consolidated and separate financial statements for the year ended 31 March 2025, which disclose the state of affairs of Konkola Copper Mines Plc ("the Company") and its subsidiaries KCM (SmelterCo) Limited and Konkola Minerals Resources Limited (KMRL), (together "the Group" or "KCM").

Registered office address and principle place of business

The registered office of the Company and the principal place of business are at Private Bag KCM (C) 2000, Stand M 1408, Fern Avenue, Chingola.

Principal activity of the Company

Konkola Copper Mines Plc ("KCM") is a company incorporated in Zambia and forms part of the Group's copper segment. KCM's major products for sale are finished copper and copper-cobalt alloys. KCM is one of Zambia's largest integrated copper producers, with operations located in four of the Country's mining towns on the Copperbelt and Central Provinces. The Copperbelt, is host to the Konkola Mine, the Nchanga Mine, Nchanga Smelter, Tail Leach Plant and Nkana Refinery. Nampundwe Pyrite Mine is in the Shibuyunji District of Central Province.

Company ownership status

Vedanta Resources Limited ("VRL") through its wholly owned subsidiary Vedanta Resources Holdings Limited ("VRHL") holds 79.4% equity stake in Konkola Copper Mines Plc ("KCM"), whilst ZCCM Investments Holdings Plc ("ZCCM-IH") owns 20.6% .

ZCCM Investments Holdings Plc ("ZCCM-IH"), had obtained an ex parte order from the High Court of Zambia appointing a provisional liquidator for KCM in May 2019. In January 2023, they agreed to suspend legal proceedings to seek an amicable settlement.

On November 6, 2023, a new shareholder agreement and an Implementation Agreement were signed for KCM, outlining terms for VRHL's re-entry and investment. Ancillary agreements were finalized to launch a Creditor Scheme of Arrangement in the High Court of Zambia. The court ordered creditor meetings on February 21, 2024, which were held on May 24 and 30, 2024. The scheme was sanctioned by the High Court on June 28, 2024. As a result, the provisional liquidator was removed, and KCM's Board was reinstated on July 31, 2024. Consequently, Vedanta has regained control of KCM with effect from July 31, 2024.

There were no changes made to the authorised and issued share capital of the Group during the year to 31 March 2025 and 31 March 2024 as disclosed in note 26.

Directors

The Directors of the company during the accounting year and up to the date of this report were as follows:

<i>Name</i>	<i>Nationality</i>	<i>Position</i>	<i>Appointment Date</i>
Dr Moses Banda	Zambia	Chairperson	12 July 2024
Manuel Mutale	Zambia	Member	12 July 2024
Diana Kangwa	Zambia	Member	12 July 2024
Malcom Mewett	New Zealand	Member	12 July 2024
Pushpender Singla	India	Member	26 July 2024
Manish Saxena	India	Member	10 July 2024
Akhilesh Joshi	India	Member	12 July 2024
Rodney Machila	Zambia	Member	12 July 2024
Christopher Griffith	South Africa	Member	12 July 2024

KONKOLA COPPER MINES PLC

REPORT OF THE DIRECTORS

for the year ended 31 March 2025

Results and dividends

The loss for the year after taxation for Group and Company amounted to US\$ 313.0 million (2024: Profit US\$ 2,797.6 million) and US\$ 313.0 million (2024: Profit US\$ 2,797.6 million) respectively.

The Directors do not recommend payment of a dividend in respect of the year ended 31 March 2025 (31 March 2024: Nil).

Revenue

Group and Company revenue, as reported for the year, was US\$ 404.6 million, lower by 6.9% on 2024 (US\$ 434.8 million) due to lower production volumes resulting in a decrease in copper sales by 6.7% and precious metals by 29%. Whereas cobalt in alloy sales decreased by 168%.

Interest

The finance cost for the Group and Company for the year stood at US\$ 76.8 million compared to US\$ 131.5 million cost for 2024.

Property, plant and equipment

There was change in the Group's and Company's property, plant and equipment during the year resulting from investments made in operating projects. The Group and Company invested a total of US\$ 12.5 million (2024: US\$ 28.3 million) as disclosed in note 16 in the notes to the financial statements.

Taxation

There was a tax credit for the year of US\$ 116.7 million (2024: US\$ 109.1 million). The effective tax rate for the Group and Company for the year was -27% (2024: 4%) (see note 11).

Financial position

The consolidated statement of financial position as at 31 March 2025 can be summarised as set out in the table below:

	Assets US\$ Million	Liabilities US\$ Million	Net assets US\$ Million
Property, plant and equipment	980.4	-	980.4
Goodwill and intangible assets	109.7	-	109.7
Deferred tax asset	598.8	-	598.8
Other non-current assets and liabilities	200.4	-	200.4
Current assets and liabilities	344.5	(717.5)	(373.0)
Provisions	-	(32.7)	(32.7)
Total before debt	2,233.9	(750.2)	1,483.6
Debt	-	(702.3)	(702.3)
Total as at 31 March 2025	2,233.9	(1,452.5)	781.4
Total as at 31 March 2024	2,038.5	(940.9)	1,097.7

Profit/Loss per share

Basic Group and Company profit per share for the year was -28.5 cents, compared with the basic loss per share of 254.6 cents in 2024.

Net current liabilities for the Group increased by 67% to US\$ 373.0 million (2024: US\$ 223.2 million) and the net current liabilities per share increased to (33.9) cents (2024: (20.3) cents). The main movements in the statement of financial position was mainly on the increased trade and other payables (see note 21) and medium and long term borrowings (see note 23).

REPORT OF THE DIRECTORS

for the year ended 31 March 2025

Capital structure

Strong financial capital management is an integral part of management's strategy to achieve the Group's stated objectives. The management reviews financial capital reports on a monthly basis to ensure that the Group has adequate liquidity.

The Group has net debt of US\$ 638.4 million (2024: US\$ 353.7 million) as disclosed in note 28. There were no additional loans during the year.

Gearing (debt/equity) was positive at 82% (2024: 32%). Management considers that the Group's current gearing is still appropriate despite exceeding the group policy requirement of 1:1. This is in line with the Group's long term business strategy which aims to enhance equity by leveraging operational philosophies and forming strategic partnerships with key Industry Experts to expedite production ramp up across the Business Units. Additionally, a targeted cost reduction programme involving structured interventions and efficiency improvements is being implemented.

Further information on the Group's capital structure is provided in note 28 to the financial statements, including details of how the Group manages risk in respect of capital, interest rates, foreign currencies and liquidity.

Liquidity and investments

As at 31 March 2025, the Group had at its disposal US\$ (702.3) million (2024: US\$ (359.0) million) of drawn, committed borrowing facilities. The Group's net debt position has changed over the course of the year pursuant to the planned repayment schedules on long term loans. Management continuously monitoring liquidity to ensure the situation does not deteriorate to an unsustainable level.

Going concern

The Group and Company has recorded a loss after tax for the year of US\$ 313 million (2024: loss US\$ 2,797.6 million) and as at 31 March 2025, the Group and Company current liabilities exceeded current assets by US\$ 373.0 and US\$ 393.7 million (2024 : US\$ 223.1 and US\$ 223.1 million) respectively. The Group meets its day to day working capital requirements through delayed settlement of trade and other payables and medium and long-term borrowings.

Despite the foregoing, the financial statements have been prepared on the going concern basis which assumes the Company will continue in operational existence for the foreseeable future. This is on the basis that as part of the re-entry conditions of Vedanta, the following investment commitments were agreed (to be invested as Shareholder Loan) with ZCCM-IH and GRZ:

- \$1bn investment into Mine development and infrastructure over a period of 5 years,
- \$250m towards Scheme of Arrangement,
- \$20m annual contribution towards KCM CSR programmes, and
- 20% salary increase to KCM employees plus once off payment of Kwacha 2,500 per employee

As of 31st March 2025, Vedanta has complied with the re-entry conditions towards \$250m Supplier payments, \$20m CSR programme funding as well as the 20% salary increase to KCM employees. Furthermore, \$50m funding had been injected in the business in March 2025.

In the long term, Vedanta has pledged an Investment of US\$1bn over a 5 year period to cover Capital Commitments. An Initial \$289m is budgeted in FY 2025 and an Initial injection of \$50m has been received in March 2025. KCM forecasts to Ramp up its production by 200% to 112kt in FY 2026 from the FY 25 performance of 33kt. This translates to a monthly average of 9kt per month.

Post re-acquisition of KCM, the group has made significant strides in enhancing the integrity of the asset through rehabilitation works resulting in a production ramp up of up to 6kt production in April 2025.

REPORT OF THE DIRECTORS

for the year ended 31 March 2025

Research and development

The Group did not incur any material amounts on research and development.

Corporate social responsibility

Corporate Social Responsibility expenditure during the year amounted to US\$ 3.62 million (2024: US\$ 1.54 million).

Direct contributions in the form of donations made to charitable causes during the year amounted to US\$ 213,020 (2023: US\$ 89,921) apart from the Group's continuous self driven CSR programmes.

Average number and remuneration of employees

The average number of employees during each month of the year was as follows:

	2025	2024
April	5,483	5,510
May	5,483	5,513
June	5,471	5,509
July	5,457	5,465
August	5,437	5,483
September	5,429	5,482
October	5,413	5,506
November	5,399	5,510
December	5,392	5,505
January	5,404	5,492
February	5,416	5,489
March	5,404	5,058

Total remuneration paid in respect of the employees was US\$ 106.3 million (2024: US\$ 175.4 million) as disclosed in note 6 to the financial statements.

Health, safety and welfare of employees

Konkola Copper Mines (KCM) Plc has a Safety and Occupational Health Management System called Chingilila OHS and it conforms to international standards/specifications and has since been upgraded to ISO 45001 standard. It also incorporates the requirements of the Company's Health & Safety, Policy and its objectives.

KCM has developed and defined roles and responsibilities, authority and timescale for achieving the Zero Harm objectives at relevant functions and levels within the Company.

The safety record for the financial year was 5 lost time injuries (2024: 06), 0.17 lost time injury frequency rate (2024: 0.3), the Group had 2 fatalities (2024: 0).

Legal and other requirements have been identified and are reviewed for compliance through a legal register on a quarterly basis.

KCM continued driving its renowned safety programme "Chingilila", envisioned in identifying and controlling occupational and health risks across KCM. We continue to run active safety interventions and initiatives, and this year we conducted safety training for some 2,404 people, both employees and contractors.

KCM successfully retained its ISO 45001 certification during the February 2025 audit by the British Standards Institution (BSI), demonstrating continued commitment to occupational health and safety standards.

KONKOLA COPPER MINES PLC

REPORT OF THE DIRECTORS

for the year ended 31 March 2025

Health, safety and welfare of employees *(continued)*

Furthermore, the Company has rolled out several Occupational, Health, Safety and Environmental trainings such as Risk Assessment, Hazard Identification, Behavioral Based Safety, Safety Awareness to safety. This also is designed to enable workers to make sound good risk decision at the point of doing work. Refreshers training of the Trainers was also done. In addition, IRCA Savenda Consultants were engaged in a Safety Intervention Project which is scheduled to conclude in June 2025. These initiatives aim to enhance overall safety culture, compliance and risk perception amongst its employees as well as business partners.

Exports

The value of exports during the year was US\$ 393 million (2024: US\$ 406 million).

Auditors

The auditors, Messrs. HLB Zambia have indicated their willingness to continue in office and a resolution for their reappointment will be proposed at the next annual general meeting.

Signed on behalf of the Board:



Company Secretary

Date: 22 / 7 / 2025

STATEMENT OF RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS

Section 246 of the Companies Act of Zambia requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit or loss for that year. In preparing those financial statements, the Directors have selected suitable accounting policies and then applied them consistently, made judgements and estimates that are reasonable and prudent and followed the applicable accounting standards. The Directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. The Directors are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

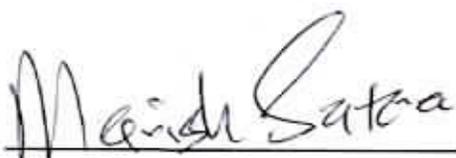
In accordance with Section 246 of the Companies Act of Zambia, we the Directors of Konkola Copper Mines Plc are of the opinion that:

- a) the statement of financial position is drawn up so as to give a true and fair view of the state of the affairs of the Group as at 31 March 2025;
- b) the statement of profit or loss and other comprehensive income is drawn up so as to give a true and fair view of the loss of the Group for the year ended 31 March 2025;
- c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due; and
- d) the financial statements have been prepared in accordance with the International Financial Reporting Standards and the requirements of the Companies Act of Zambia.

The Directors are also responsible for the Groups system of internal financial control. These controls are designed to provide reasonable, but not absolute assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

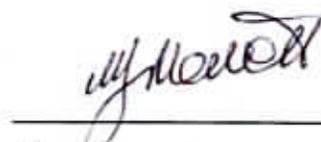
The financial statements have been prepared on a going concern basis, since the Directors have every reason to believe that the Company has adequate resources in place to continue in operation for the foreseeable future.

The financial statements which appear on pages 11 to 73 were approved by the Board of Directors.



Director

Date:



Director

Date:

22/7/25

**REPORT OF THE INDEPENDENT AUDITORS
TO THE DIRECTORS OF KONKOLA COPPER MINES PLC**

Opinion

We have audited the financial statements of Konkola Copper Mines Plc ("the Company") and its subsidiaries (together "the Group"), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the Group and Company annual financial statements give a true and fair view of the financial position of Konkola Copper Mines Plc ("the Company") and its subsidiaries (together "the Group") as at 31 March 2025, and of their financial performance and cashflows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act 2017 (Act No. 10 of 2017) and the Corporate Insolvency Act 2017 (Act No. 9 of 2017).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *code of ethics for Professional Accountants* (IESBA Code) that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the Report of The Directors. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, 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.

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. 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.

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Key Audit Matters (continued)

Carrying value of inventory	
<p>Refer to Note 18 of the Financial Statements.</p> <p>Inventories recognised in the statement of financial position is US\$ 171.0 million (31 March 2024: US\$ 114.3 million).</p> <p>Inventories are disclosed net of provision for obsolete stock amounting to US\$ 36.8 million (31 March 2024: US\$ 36.8 million).</p> <p>The Group and Company has significant levels of inventories and significant management judgments are taken with regard to categorization of inventories into work-in-progress, materials and consumables, finished good and further into obsolete and/or slow moving and which should be therefore be considered for provision. Estimates are then involved in arriving at provisions against cost in respect of slow moving and obsolete inventories to arrive at valuation based on lower of cost and net realizable value.</p> <p>Given the level of significant management judgments and estimates involved this is considered to be a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Challenging management with regards to the calculation methodology, the basis for provision and the process with respect to inventory provision. • Testing the design, implementation and operating effectiveness of the key controls management has established for provision computations and to ensure the accuracy of the inventory provision. • Assessing the adequacy of, and movements in, inventory provisions held, by recalculating a sample of items included within the provision to ensure appropriate basis of valuation. • Evaluating, on a sample basis, whether inventories were stated at the lower of cost or net realizable value at the reporting date by comparing the sales prices of inventories subsequent to the reporting date. • Evaluating the appropriateness of the assumptions used based on our knowledge and information of the client and the industry.
Revenue Recognition	
<p>Refer to Note 5 of the Financial Statements.</p> <p>The amount of revenue recognized in the year on the sale of Copper and other products is US\$ 404.6 million.</p> <p>Revenue recognition of cathodes and anodes is a complex and subjective process as it involves several stages to ascertain the revenue value. As the commercial arrangements can be complex, significant judgment is applied in selecting the accounting basis in each case.</p> <p>In our view, revenue recognition is significant to our audit as the Group might inappropriately account for sales of Copper and other products.</p>	<p>Our audit procedures to address the risk of material misstatement relating to revenue recognition, which was considered to be a significant risk, included:</p> <ul style="list-style-type: none"> • Testing of controls (including specific controls for revenue recognition, cut off analysis, gross margin reviews and sales pricing). • Reviewing sales export records against the MOSES system. • Reviewing the computations of the selling price against the London Metal Exchange prices. • Vouching a sample of sales to supporting documentations and lodgments. • Reviewing the adequacy of the disclosures.

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Directors' responsibilities for the financial statements

The Directors are responsible for the preparation of the financial statements in accordance with the International Financial Reporting Standards (IFRSs), and for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the Group and Company's financial reporting process.

Auditors responsibility

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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Overview of the scope of the audit

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

- Identify and assess the risks of material misstatements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal accounting controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal accounting controls.
- Evaluate the completeness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

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Overview of the scope of the audit (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal requirements

In accordance with the Companies Act 2017 (Act No. 10 of 2017), we report that in our opinion:

- The Group and Company made available all necessary information to enable us to comply with the requirements of this Act;
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- We have not found any transaction that has not been within the powers of the Group and Company or which was contrary to this Act;
- The Group and Company complied with the provisions of these Acts and the regulations, guidelines and prescriptions under this Act; and
- There is no relationship, interest or debt we have with the Group and Company.
- Further, there were no serious breaches of corporate governance principles or practices by The Directors. In the absence of the Act specifying the criteria for purposes of reporting on serious breaches of corporate governance principles or practices by The Directors, as required by section 259 (3)(b) of the Companies Act 20217, we express our opinion based on the corporate governance provisions of the Act, Part IIV - Corporate Governance of the Companies Act of Zambia.

HLB Zambia Chartered Accountants



Nchimunya Hapeza CA, MBA, FZICA
Partner

AUD/F011985

Date



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KONKOLA COPPER MINES PLC

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 March 2025

	NOTES	GROUP		COMPANY	
		2025	2024	2025	2024
		US\$ Million		US\$ Million	
Revenue	5	404.6	434.8	404.6	434.8
Cost of sales		(732.3)	(621.7)	(732.3)	(621.7)
Gross Profit/(loss)		(327.6)	(186.9)	(327.6)	(186.9)
Other operating income	8	2.5	2.4	2.5	2.4
Distribution costs		(13.9)	(17.9)	(13.9)	(17.9)
Administrative expenses		(46.7)	(146.9)	(46.7)	(146.9)
Operating Profit/(loss)	6	(385.7)	(349.2)	(385.7)	(349.2)
Unwinding of Liabilities	34	32.8	3,169.2	32.8	3,169.2
Finance income/(costs)	9, 10	(76.8)	(131.5)	(76.8)	(131.5)
Net finance income/(cost)		(44.0)	3,037.7	(44.0)	3,037.7
Profit/(loss) before tax		(429.7)	2,688.5	(429.7)	2,688.5
Income tax	11	116.7	109.1	116.7	109.1
Profit/(loss) for the year		(313.0)	2,797.6	(313.0)	2,797.6
(Profit)/Loss per share					
Basic and diluted (cents per share)	13	(28.5)	254.6	(28.5)	254.6

There were no items of other comprehensive income during the year (2024: Nil).

KONKOLA COPPER MINES PLC

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2025

	NOTES	GROUP		COMPANY	
		2025 US\$ Million	2024	2025 US\$ Million	2024
ASSETS					
Non-current assets					
Intangible assets - goodwill	14	109.7	109.7	109.7	109.7
Property, plant and equipment	16	980.4	1,069.0	980.4	1,069.0
Other non current assets	25	200.4	49.5	200.4	49.5
Deferred tax assets	12	598.8	481.6	598.8	481.6
Investment in SmelterCo	17	-	-	5.8	5.8
Total non-current assets		1,889.4	1,709.8	1,895.2	1,715.6
Current assets					
Inventories	18	171.0	114.3	171.0	114.3
Trade and other receivables	19	109.6	209.1	109.6	209.1
Bank and cash balances	20	63.8	5.3	63.8	5.3
Total current assets		344.5	328.7	344.5	328.7
TOTAL ASSETS		2,233.9	2,038.5	2,239.7	2,044.3
LIABILITIES					
Current liabilities					
Trade and other payables	21	(717.8)	(550.4)	(738.5)	(571.1)
Other financial liabilities	22	(1.0)	(1.4)	(1.0)	(1.4)
Current tax liability	11	1.4	(0.1)	1.4	(0.1)
Total current liabilities		(717.5)	(551.9)	(738.2)	(572.6)
Net current assets/ (liabilities)		(373.0)	(223.1)	(393.7)	(223.1)
Non-current liabilities					
Medium and long term borrowings	23	(702.3)	(359.0)	(702.3)	(359.0)
Provisions	24	(32.7)	(30.0)	(32.7)	(30.0)
Total non-current liabilities		(735.0)	(389.0)	(735.0)	(389.0)
TOTAL LIABILITIES		(1,452.5)	(940.9)	(1,473.2)	(961.5)
NET ASSETS / (LIABILITIES)		781.4	1,097.7	766.5	1,082.8

KONKOLA COPPER MINES PLC

STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 March 2025

US\$ million

	Share capital	Share premium	Other reserves (Note 27)	Accumulated losses	Total equity
GROUP:					
As at 1 April 2023	70.4	493.0	7.5	(2,274.1)	(1,703.2)
Profit/(Loss) for the year	-	-	-	2,797.6	2,797.6
As at 1 April 2024	70.4	493.0	7.5	523.5	1,097.7
Profit/(Loss) for the year	-	-	-	(313.0)	(313.0)
As at 31 March 2025	70.4	493.0	7.5	210.5	781.4
COMPANY:					
As at 1 April 2023	70.4	493.0	7.5	(2,289.1)	(1,721.5)
Profit/(Loss) for the year	-	-	-	2,797.6	2,797.6
As at 31 March 2024	70.4	493.0	7.5	508.5	1,082.8
Profit/(Loss) for the year	-	-	-	(313.0)	(313.0)
As at 31 March 2025	70.4	493.0	7.5	195.6	766.5

Accumulated Profit/ (losses)

Accumulated profits/losses arise from brought forward recognised income net of expenses plus current year profit or loss.

Share premium

Share premium represents the amount paid by the share holders, over the nominal value of their values.

The notes on pages 16 to 74 are an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
for the year ended 31 March 2025

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ Million		US\$ Million	
Cash flow from operating activities				
Profit/(loss) before tax	(429.7)	2,688.5	(429.7)	2,688.5
Amortisation	0.0	0.0	0.0	0.0
Movement in reserves	0.0	5.0	0.0	5.0
Depreciation	101.2	97.2	101.2	97.2
Unwinding of Liabilities	(32.8)	(3,169.2)	(32.8)	(3,169.2)
Finance (income)/costs	76.8	131.5	76.8	131.5
Operating cash before movements in working capital	(284.5)	(247.1)	(284.5)	(247.1)
Decrease/(increase) in inventories	(56.7)	61.7	(56.7)	61.7
Decrease/(increase), in trade and other receivables (including other non-current assets)	(51.5)	60.7	(51.5)	60.7
Increase/(decrease) in provisions	2.7	(8.6)	2.7	(8.6)
Increase/(decrease) in payables and other financial liabilities	122.4	(3,028.6)	122.4	(3,028.6)
Cash inflows from operations	(267.5)	(3,162.0)	(267.5)	(3,162.0)
Interest received/(paid)	0.8	(0.1)	0.8	(0.1)
Net cash utilised in operating activities	(266.7)	(3,162.1)	(266.7)	(3,162.1)
Cash flows from investing activities				
Purchases of property, plant and equipment	(12.5)	(28.3)	(12.5)	(28.3)
Net cash used in investing activities	(12.5)	(28.3)	(12.5)	(28.3)
Cash flows from financing activities				
Proceeds from borrowings	340.7	35.0	340.7	35.0
Repayment of borrowings	(3.0)	(10.0)	(3.0)	(10.0)
Net cash inflows from financing activities	337.8	25.0	337.8	25.0
Net increase in cash and cash equivalents	58.5	3.9	58.5	3.9
Cash and cash equivalents at the beginning of the year	5.3	1.4	5.3	1.4
Cash and cash equivalents at the end of the year	63.8	5.3	63.8	5.3
Comprising:				
Bank and cash balances	63.8	5.3	63.8	5.3
	63.8	5.3	63.8	5.3

The notes on pages 16 to 73 are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025

1. GENERAL INFORMATION

Konkola Copper Mines Plc (in provisional liquidation) ("the Group") is a limited company incorporated and domiciled in Zambia. The addresses of the Company's registered office and principal place of business are disclosed in the report of the Directors on page 1. The principal activity of the Company and its wholly owned subsidiary KCM (SmelterCo) Limited (together "the Group") is the mining, production and marketing of copper and cobalt.

2. SUMMARY OF NEW AND REVISED ACCOUNTING POLICIES RELEVANT TO THE GROUP

2.1 *New and amended standards and interpretations*

The Group applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2024;

- *IAS 1 Classification of Liabilities as Current or Non-current*
- *IAS 1 Presentation of Financial Statements– Non-current Liabilities with Covenants*
- *IFRS 16 Leases–Lease Liability in a Sale and Leaseback*

The amendments and interpretations apply for the first time in 2024, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

2.1.1 *IAS 1 Classification of Liabilities as Current or Non-current*

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

2.1.2 *IAS 1 Presentation of Financial Statements– Non-current Liabilities with Covenants*

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

2. SUMMARY OF NEW AND REVISED ACCOUNTING POLICIES RELEVANT TO THE GROUP (CONTINUED)

2.1 *New and amended standards and interpretations (continued)*2.1.3 *IFRS 16 Leases—Lease Liability in a Sale and Leaseback*

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

2.2 *New and revised IFRSs in issue that are not yet effective*

Paragraph 30 of IAS 8 requires an entity to disclose if there are new accounting standards that are issued but not yet effective, and information relevant to assessing the possible impact that the application of the new accounting standards will have on the entity's financial statements.

This summary includes all new accounting standards and amendments issued before 31 December 2024 with an effective date for accounting periods beginning on or after 1 January 2025.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except if indicated below. At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Title of IFRS	Brief overview of the changes	Effective date
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability	The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not. The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.	1 January 2025

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

2. SUMMARY OF NEW AND REVISED ACCOUNTING POLICIES RELEVANT TO THE GROUP (CONTINUED)

2.2 New and revised IFRSs in issue that are not yet effective (continued)

Title of IFRS	Brief overview of the changes	Effective date
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability	<p>An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.</p> <p>An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.</p> <p>The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.</p> <p>When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.</p> <p>The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:</p> <ul style="list-style-type: none"> • a spot exchange rate for a purpose other than that for which an entity assesses exchangeability • the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate). <p>An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.</p> <p>When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.</p>	1 January 2025

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

2. SUMMARY OF NEW AND REVISED ACCOUNTING POLICIES RELEVANT TO THE GROUP (CONTINUED)

2.2 New and revised IFRSs in issue that are not yet effective (continued)

Title of IFRS	Brief overview of the changes	Effective date
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability	<p>The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented.</p> <p>In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.</p> <p>The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.</p> <p>The directors of the Group anticipate that the application of these amendments may have an impact on the Group's financial statements in future periods.</p>	1 January 2025
IFRS 18 Presentation and Disclosures in Financial Statements	<p>IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.</p> <p>IFRS 18 introduces new requirements to:</p> <ul style="list-style-type: none"> • <i>present specified categories and defined subtotals in the statement of profit or loss</i> • <i>provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements</i> • <i>improve aggregation and disaggregation.</i> <p>An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.</p> <p>The directors of the Group anticipate that the application of these amendments may have an impact on the Group's financial statements in future periods.</p>	1 January 2025

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)

3.1 Basis of financial statements preparation

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on the historical cost basis. The financial statements are presented in United States Dollar ("US \$") rounded to the nearest million dollar. The financial statements were approved for issue by the Board of Directors.

The financial statements have been prepared on the going concern basis which assumes the Company will continue in operational existence for the foreseeable future.

As highlighted in the financial statements, the Group and Company recorded a Loss after tax for the year of US\$ 313 million (2024: Profit US\$ 2,797.6 million) and as at 31 March 2025, the Group and Company current liabilities exceeded current assets by US\$ 373.0 and US\$ 393.7 million (2024 : US\$ 223.1 and US\$ 243.8 million) respectively. The Group meets its day to day working capital requirements through delayed settlement of trade and other payables and medium and long-term borrowings.

The Directors considers the going concern basis of preparation to be appropriate based on the following:

ZCCM Investments Holdings Plc ("ZCCM-IH"), had obtained an ex parte order from the High Court of Zambia appointing a provisional liquidator for KCM in May 2019. In January 2023, they agreed to suspend legal proceedings to seek an amicable settlement.

On November 6, 2023, a new shareholder agreement and an Implementation Agreement were signed for KCM, outlining terms for VRHL's re-entry and investment. Ancillary agreements were finalized to launch a Creditor Scheme of Arrangement in the High Court of Zambia. The court ordered creditor meetings on February 21, 2024, which were held on May 24 and 30, 2024. The scheme was sanctioned by the High Court on June 28, 2024. As a result, the provisional liquidator was removed, and KCM's Board was reinstated on July 31, 2024. Consequently, Vedanta has regained control of KCM with effect from July 31, 2024.

As part of the re-entry conditions of Vedanta, the following investment commitments were agreed (to be invested as Shareholder Loan) with ZCCM-IH and GRZ:

- \$1bn investment into Mine development and infrastructure over a period of 5 years,
- \$250m towards Scheme of Arrangement,
- \$20m annual contribution towards KCM CSR programmes, and
- 20% salary increase to KCM employees plus once off payment of Kwacha 2,500 per employee

As of 31st March 2025, Vedanta has complied with the re-entry conditions towards \$250m Supplier payments, \$20m CSR programme funding as well as the 20% salary increase to KCM employees. Furthermore, \$50m funding had been injected in the business in March 2025.

In the long term, Vedanta has pledged an Investment of US\$1bn over a 5 year period to cover Capital Commitments. An Initial \$289m is budgeted in FY 2025 and an Initial injection of \$50m has been received in March 2025. KCM forecasts to Ramp up its production by 200% to 112kt in FY 2026 from the FY 25 performance of 33kt. This translates to a monthly average of 9kt per month.

Post re-acquisition of KCM, the group has made significant strides in enhancing the integrity of the asset through rehabilitation works resulting in a production ramp up of up to 6kt production in April 2025.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)

3.1 *Basis of financial statements preparation (continued)*

A Long Term Plan was made to Forecast the production capacities of the mine and its resulting future cashflows and profitability. The Post-tax NPV was calculated to be \$4,156m using a Discount Factor of 10%.

Key projects factored into the plan include:

- Ramp up Integrated operations to 200kt by FY 37,
- Increase reserves from ~1 m tons Cu equivalent to 4 m tons Cu equivalent from the Konkola Deep Mining Project,
- New resources development at Nchanga,
- Increase Smelter feed rate from current 60 tph to 90 tph.

Based on the resolution of the Company status and dispute as well as the forecasted investments and performance set out above, it is appropriate to adopt the going concern basis in preparing the Financial Statements, as there is reasonable expectation that KCM has adequate resources to continue in operational existence for the foreseeable future.

3.2 *Basis of consolidation*

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;□
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

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

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)**3.2 Basis of consolidation (continued)**

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash in the separate financial statements of the Company, the investment in KCM (SmelterCo) Limited is accounted for at cost. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

3.3 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.4 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

Control usually happens when the goods cross the Zambian Boarder or are loaded on ship's rail, as the case may be, based on the INCOTERMS as commercially agreed upon with the buyer and the buyer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset. Such revenues are measured at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognised net of discounts, volume rebates, outgoing goods and service tax and duties.

The majority of the Company's sales allow for price adjustments based on the market price at the end of the relevant Quotational Period (QP) stipulated in the contract. These are referred to as provisional pricing arrangements and are such that the selling price for the goods is based on prevailing forward prices on a specified future period after shipment to the customer. Adjustments to the sales price occur based on movements in quoted market prices up to the end of the QP through marked to market using the relevant forward prices for the future period specified in the contract with a corresponding adjustment to revenue. The period between provisional invoicing and the end of the QP can be between one and three months. Revenue in respect of such contracts is recognised when control passes to the customer and is measured at the amount the Company expects to be entitled - being the estimate of the price expected to be received at the end of the measurement period. For these provisional pricing arrangements, any future changes that occur over the QP are embedded within the provisionally priced trade receivables and are, therefore, within the scope of IFRS 9 and are accounted in accordance with IFRS 9 'Financial Instruments' rather than IFRS 15 and, therefore, the IFRS 15 rules on variable consideration do not apply.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)**3.4 Revenue recognition (continued)**

These 'provisional pricing' adjustments i.e. the consideration received post transfer of control are included in total revenue from operations on the face of the Statement of Profit and loss and disclosed by way of note to the financial statements. Final settlement of the prices is based on the applicable price for a specified future period. In the period under review the quantity adjustment is not material, hence, there is no need to consider quantity adjustments for provisional pricing.

Providing of services

Revenue from provision of services such as shipping and insurance related activities are recognised in the financial statements on the basis of the stage of completion of the project which is estimated by comparing the number of hours actually spent on the project with the total number of hours expected to complete the project (i.e. an input based method). This is considered a faithful depiction of the transfer of services as the contracts are initially priced on the basis of anticipated hours to complete the projects and therefore also represents the amount to which the Company would be entitled based on its performance to date.

Significant financing component

Generally, the Company receives short term advances from its customers. Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects at contract inception, that the period between the transfer of the promised service to the customer and when the customer pays for that service will be one year or less.

The Company also receives long term advances from the customer for the provision of the services. The transaction price for such contracts is discounted using the rate that would be reflected in a separate financing transaction between the Company and the Customer at contract inception to take into consideration the significant financing component.

3.5 Foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

Net gains and losses arising from changes in fair value less estimated point of sale costs of biological assets are recognised in profit and loss in the statement of comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)**3.6 Borrowing costs**

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

3.7 Income and deferred tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

3.8 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after 1 January 2019.

- **The company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

- **The company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)**3.8 Leases (continued)****• The company as a lessee****i). Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

ii). Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii). Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)**3.8 Leases (continued)****iii). Short-term leases and leases of low-value assets (continued)**

- **The company as a lessor (continued)**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.9 Employee benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Remeasurement related to other long term benefits are routed statement of profit and loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements),
- Net interest expense or income.
- Remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item finance cost (for net interest expense) and cost of sales (for service cost).

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the end of the reporting period as the net total of the present value of the defined benefit obligation and the fair value of plan assets (if any) out of which the obligations are to be settled directly.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)**3.9 Employee benefits (continued)****Short-term and other long-term employee benefits (continued)**

Following the acquisition of the assets and operations of Zambia Consolidated Copper Mines Limited ("ZCCM") on 31 March 2000, the Company assumed responsibility for payment of the accrued terminal benefit liability in respect of employees transferring from ZCCM to the Company. The liability is not subject to revaluation and is payable upon the employees retiring. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

3.11 Restoration, rehabilitation and environmental costs

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production of a mine. Costs arising from the installation of plant and other site preparation work, discounted to net present value, are provided for and a corresponding amount is capitalised at the start of each project, as soon as the obligation to incur such costs arises. These decommissioning costs are charged to profit or loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost estimates are reviewed yearly and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations.

The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in profit or loss.

Costs for restoration of subsequent site damage which is caused on an ongoing basis during production are provided for at their net present values and charged to profit or loss as extraction progresses. Where the costs of site restoration are not anticipated to be material, they are expensed as incurred.

3.12 Inventories

Product inventories comprise ore in stockpiles, work-in-progress and finished goods. Product inventories are recorded at the lower of average cost and net realizable value. Cost includes materials, direct labour, other direct costs and production overheads and depreciation of plant, equipment and mineral properties directly involved in the mining and production processes. Costs are determined primarily on the basis of average costs for ore in stockpiles and on a first-in first-out basis for work-in-progress and finished goods.

Waste material stripping costs related to production at, or below, the life-of-phase strip ratio are inventoried as incurred, with the excess capitalized to mineral property and depreciated in future periods.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)

3.12 Inventories (continued)

When inventories have been written down to net realizable value, a new assessment of net realizable value is made at each subsequent reporting date that the inventory is still held. Consumable stores are valued at the lower of purchase cost and net realizable value and recorded as a current asset.

3.13 Property, Plant and Equipment

Mineral properties and mine development costs

Exploration and evaluation costs are expensed in the period incurred unless there is an expectation that future economic benefit is probable. Property acquisition costs, development costs and amounts paid under development option agreements are capitalized. Development decisions are made based upon consideration of project economics, including future metal prices, reserves and resources, and estimated operating and capital costs.

Property acquisition and mine development costs, including costs incurred during the production phase to increase future output by providing access to additional reserves (deferred stripping costs), are deferred and depreciated on a units-of-production basis over the component of the reserves to which they relate.

Property, Plant and Equipment

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, Plant and other equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Depreciation is recognised in profit or loss.

Fixtures; equipment and mining properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives are as follows:

Asset Category	Useful life
Leasehold land and buildings	10 to 20 years
Plant and equipment	25 to 30 years
Other equipment	2 to 10 Years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Repairs and maintenance expenses are charged to profit or loss during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

An item of property, plant and other equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and other equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)**3.14 Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The estimated useful lives are as follows:

Computer software	2 years
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An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

3.15 Stripping (waste removal) costs

As part of its mining operations, the Group incurs stripping (waste removal) costs both during the development phase and production phase of its operations. Stripping costs incurred in the development phase of a mine, before the production phase commences (development stripping), are capitalised as part of the cost of constructing the mine and subsequently amortised over its useful life using a Unit Of Production (UOP) method. The capitalisation of development stripping costs ceases when the mine/component is commissioned and ready for use as intended by management. Factors used to determine when a mine/component has commenced production are set out in the 'Production start date' note.

Stripping activities undertaken during the production phase of a surface mine (production stripping) are accounted for as set out below. After the commencement of production further development of the mine may require a phase of unusually high stripping that is similar in nature to development phase stripping. The cost of such stripping is accounted for in the same way as development stripping (as outlined above). Production stripping is generally considered to create two benefits, being either the production of inventory or improved access to the ore to be mined in the future. Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories.

Where the benefits are realised in the form of improved access to ore to be mined in the future, the costs are recognised as a non-current asset, referred to as a 'stripping activity asset', if the following criteria are met:

- (i) Future economic benefits (being improved access to the ore body) are probable.
- (ii) The component of the ore body for which access will be improved can be accurately identified.
- (iii) The costs associated with the improved access can be reliably measured.

If all of the criteria are not met, the production stripping costs are charged to profit or loss as operating costs as they are incurred.

Each mining operation analyses the mine plans. Generally, a component will be a subset of the total ore body, and a mine may have several components. The mine plans, and therefore the identification of components, can vary between mines for a number of reasons. These include, but are not limited to: the type of commodity, the geological characteristics of the ore body, the geographical location, and/or financial considerations. Given the nature of the Group's operations, components are generally either major pushbacks or phases and they generally form part of a larger investment decision which requires board approval.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)**3.15 Stripping (waste removal) costs (continued)**

If the costs of the inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. This production measure is calculated for the identified component of the ore body and is used as a benchmark to identify the extent to which the additional activity of creating a future benefit has taken place.

The Group uses the expected volume of waste extracted compared with the actual volume for a given volume of ore production of each component. The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset, and is presented as part of 'Mine properties' in the statement of financial position. This forms part of the total investment in the relevant cash generating unit(s), which is reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

The stripping activity asset is subsequently depreciated using the UOP method over the life of the identified component of the ore body that became more accessible as a result of the stripping activity. Economically recoverable reserves, which comprise proven and probable reserves, are used to determine the expected useful life of the identified component of the ore body. The stripping activity asset is then carried at cost less depreciation and any impairment losses.

Judgement is required to distinguish between development stripping and production stripping and to distinguish between the production stripping that relates to the extraction of inventory and that which relates to the creation of a stripping activity asset.

Once the Group has identified its production stripping for each surface mining operation, it identifies the separate components of the ore bodies for each of its mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Significant judgement is required to identify and define these components, and also to determine the expected volumes (e.g., in tonnes) of waste to be stripped and ore to be mined in each of these components.

These assessments are undertaken for each individual mining operation based on the information available in the mine plan. The mine plans and, therefore, the identification of components, will vary between mines for a number of reasons. These include, but are not limited to, the type of commodity, the geological characteristics of the ore body, the geographical location and/or financial considerations.

Judgement is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each component.

The Group considers that the ratio of the expected volume (e.g., in tonnes) of waste to be stripped for an expected volume (e.g., in tonnes) of ore to be mined for a specific component of the ore body, is the most suitable production measure. Furthermore, judgements and estimates are also used to apply the UOP method in determining the depreciable lives of the stripping activity asset(s). Stripping costs are recognised as development costs under the property, plant and equipment note 16 as mining properties.

3.16 Share-based payment arrangements

Through Vedanta Resources Ltd, the Group's ultimate parent Company, certain employees (including Directors) of the Group receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for cash based shares or cash rights over shares in Vedanta Resources Ltd ('equity-settled transactions').

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)**3.16 Share-based payment arrangements (continued)**

Under an agreement between the Group and Vedanta Resources Ltd, the Group is required to reimburse Vedanta Resources Ltd by way of a management charge, which is calculated as the fair value of the options granted to the Group's employees participating in the scheme.

The cost of equity-settled transactions with employees is measured at fair value at the date at which they are granted. The fair value of share awards with market-related vesting conditions are determined by an external valuer and the fair value at the grant date is expensed on a straight-line basis over the vesting year based on the Group's initial estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each reporting date up to the vesting date at which point the estimate is adjusted to reflect the current expectations. No adjustment is made to the fair value after the vesting date even if the awards are forfeited or not exercised.

3.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and debt securities issued are initially recognised when they are originated, all other financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

a) Financial asset

All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

For the purposes of subsequent measurement, the financial assets are classified in four categories:

- Amortised cost – debt instruments
- Fair Value through Other Comprehensive Income (FVOCI) with recycling of cumulative gains and losses – debt instruments
- Fair Value Through Profit or Loss (FVTPL)

(i) Amortised cost

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade receivables, loans and advances receivable, loans to an associate and loan to a director included under other non-current financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)

3.17 Financial instruments

a) Financial asset

(ii) Fair value through other comprehensive income (FVOCI)

The Company measures debt instruments at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

(iii) Fair value through profit or loss (FVTPL)

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Company may make the following irrevocable election at initial recognition of a financial asset:

- present subsequent changes in fair value of an equity investment in other comprehensive income if it is not held for trading. A financial asset is held for trading if:
 - a. it has been acquired principally for the purpose of selling it in the near term; or
 - b. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
 - c. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).
- designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see above) are classified as at FVTPL.

b) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Company has transferred substantially all the risks and rewards of the asset and/or has transferred control of the asset.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)

3.17 Financial instruments

c) Derecognition of financial assets (continued)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

d) Impairment of financial assets

The Company recognises a loss allowance for Expected Credit Losses (ECLs) on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECL for trade receivables, contract assets and lease receivables are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)

3.17 Financial instruments

d) Impairment of financial assets

Credit impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance that the Company would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

Write off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement of Expected Credit Losses

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

e) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)**3.17 Financial instruments****e) Financial liabilities**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The subsequent measurement of the financial liabilities depends on their classification as described below:

- **Fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

- **Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

- **Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to do so.

f) Derecognition of financial liabilities and equity instrument

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

g) Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)

3.10 Financial instruments

g) Derivative financial instruments and hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- *Fair value hedges* when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- *Cash flow hedges* when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationship meets all of the following hedge effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

- *Fair value hedges*

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

- *Cashflow hedges*

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

3. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY (CONTINUED)**3.10 Financial instruments****g) Derivative financial instruments and hedge accounting**

- **Cashflow hedges**

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised as other expense and the ineffective portion relating to commodity contracts is recognised in other operating income or expenses.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Company expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Company discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised.

4. KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4.1 Key accounting estimates

Estimates are inherently uncertain and therefore actual results may differ from the amounts included in the financial statements, potentially having a material future effect on the Company's consolidated financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

a). Determination of ore reserves and life of mine plan

Reserves are estimates of the amount of product that can be economically and legally extracted from the Company's properties. Estimating the quantity and/or grade of reserves requires the size, shape and depth of ore bodies or fields to be determined by analysing geological data such as drilling samples. Following this, the quantity of ore that can be extracted in an economical manner is calculated using data regarding the life of mine plans and forecast sales prices (based on current and long-term historical average price trends).

The majority of the Company's property, plant and equipment are depreciated over the estimated lives of the assets on a units-of-production basis. The calculation of the units-of-production rate, and therefore the annual depreciation expense could be materially affected by changes in the underlying estimates which are driven by the life of mine plans. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in the commodity prices used in the estimation of mineral reserves.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

4. KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1 Key accounting estimates

a). Determination of ore reserves and life of mine plan (continued)

Management made significant estimates of the strip ratio for each production phase. Waste material stripping costs in excess of this ratio, and from which future economic benefit will be derived from future access to ore, will be capitalized to mineral property and depreciated on a units-of-production basis.

b). Review of asset carrying values and impairment charges

Management's determination of recoverable amounts includes estimates of mineral prices, recoverable reserves and resources, and operating, capital and restoration costs and tax regulations applicable to the cash-generating unit's operations are subject to certain risks and uncertainties that may affect the recoverability of mineral property costs. The calculation of the recoverable amount can also include assumptions regarding the appropriate discount rate and inflation and exchange rates. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its projects.

c). Estimation of the amount and timing of restoration and remediation costs

Accounting for restoration provisions requires management to make estimates of the future costs the Company will incur to complete the restoration and remediation work required to comply with existing laws, regulations and agreements in place at each mining operation and any environmental and social principles the Company is in compliance with. The calculation of the present value of these costs also includes assumptions regarding the timing of restoration and remediation work, applicable risk-free interest rate for discounting those future cash outflows, inflation and foreign exchange rates. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of restoration work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for restoration.

The provision represents management's best estimate of the present value of the future restoration and remediation costs. The actual future expenditures may differ from the amounts currently provided; any increase in future costs could materially impact the amounts included in the liability disclosed in the consolidated balance sheet.

d). Estimation and assumptions relating to the timing of VAT receivables in Zambia

In addition to the timing of the recoverability of VAT receivables being a key judgment, certain assumptions are determined by management in calculating the adjustment for expected phasing of VAT receipts. In assessing the expected phasing adjustment, management considers an appropriate discount rate which is then applied to calculate the phasing adjustment based on the estimated timing of recoverability. Changes to the timings could materially impact the amounts charged to finance costs. The impact of repayments being one year later than estimated at yearend would lead to a decrease to the carrying value and an increase to finance costs.

e). Calculation of expected credit loss allowance

When measuring ECL the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

4. KEY ACCOUNTING ESTIMATES AND JUDGEMENTS**4.1 Key accounting estimates****e). Calculation of expected credit loss allowance**

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

f). Measurement of fair values

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards, as explained below:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

4.2 Key Judgements in applying these accounting policies**a). Income taxes**

Judgment is required in determining the recognition and measurement of deferred income tax assets and liabilities on the statement of financial position. The Company is subject to income taxes in the Republic of Zambia. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact on the income tax and deferred tax provisions in the period in which such determination is made.

b). Assessment of impairment indicators

Management applies significant judgment in assessing the cash-generating units and assets for the existence of indicators of impairment at the reporting date. Internal and external factors are considered in assessing whether indicators of impairment are present that would necessitate impairment testing. Significant assumptions regarding commodity prices, production, operating costs, capital expenditures and discount rates are used in determining whether there are any indicators of impairment. These assumptions are reviewed regularly by senior management and compared, where applicable, to relevant market consensus views.

For exploration projects, management considers indicators including the Company's continued ability and plans to further develop the projects and title of mineral properties required to advance the projects to assess the existence of impairment indicators.

4. KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

4.2 *Key Judgements in applying these accounting policies*

c). *Determination of ore reserves and resources*

Judgments about the amount of product that can be economically and legally extracted from the Company's properties are made by management using a range of geological, technical and economic factors; history of conversion of mineral deposits to proven and probable reserves as well as data regarding quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates. This process may require complex and difficult geological judgments to interpret the data. The Company uses qualified persons and experts to compile this data.

Changes in the judgments surrounding ore reserves and resources may impact the Group's reported financial position and results, in the following way:

- The carrying value of exploration and evaluation assets; mine properties; property, plant and equipment; and goodwill may be affected due to changes in estimated future cash flows.
- Depreciation and amortisation charges may change where such charges are determined using the UOP method, or where the useful life of the related assets change.
- Capitalised stripping costs recognised in the statement of financial position as either part of mine properties or inventory or charged to profit or loss may change due to changes in stripping ratios.
- Provisions for rehabilitation and environmental provisions may change where reserve estimate changes affect expectations about when such activities will occur and the associated cost of these activities.
- The recognition and carrying value of deferred income tax assets may change due to changes in the judgments regarding the existence of such assets and in estimates of the likely recovery of such assets. The Group estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Such an analysis requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgments made in estimating the size and grade of the ore body.
- The Group estimates and reports ore reserves and mineral resources in line with the principles contained in the Metalville Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (December 2010), which is prepared by the Metalville Ore Reserves Committee (MORC) of the Metalville Institute of Mining and Metallurgy, known as the "MORC Code." The MORC Code requires the use of reasonable investment assumptions, including:
 - Future production estimates, which include proved and probable reserves, resource estimates and committee expansions.
 - Expected future commodity prices, based on current market price, forward prices and the Group's assessment of the long-term average price.
 - Future cash costs of production, capital expenditure and rehabilitation obligations. Consequently, management will form a view of forecast sales prices based on current and long-term historical average price trends. For example, if current prices remain above long-term historical averages for an extended period of time, management may assume that lower prices will prevail in the future. As a result, those lower prices would be used to estimate reserves and mineral resources under the MORC Code. Lower price assumptions generally result in lower estimates of reserves.
- As the economic assumptions used may change and as additional geological information is produced during the operation of a mine, estimates of reserves and mineral resources may change.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

5 Revenue

5.1 The following is an analysis of the Group's revenue for the year:

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ Million		US\$ Million	
Copper (cathodes and alloys)	403.6	432.4	403.6	432.4
Cobalt (in alloys and concentrates)	(0.3)	0.5	(0.3)	0.5
Precious metals in slimes	1.4	1.9	1.4	1.9
Other	(0.0)	0.0	(0.0)	0.0
	404.6	434.8	404.6	434.8

During the years presented, the Group sold metal to customers in the following markets:

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ Million		US\$ Million	
Asia	316.8	252.9	316.8	252.9
America	49.1	28.2	49.1	28.2
Africa	21.7	26.2	21.7	26.2
Europe	17.0	129.4	17.0	129.4
	404.6	436.8	404.6	436.8

The following revenues arose from sales to the Group's largest customers:

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ Million		US\$ Million	
A	151.1	254.3	151.1	254.3
B	62.4	84.2	62.4	84.2
C	49.8	28.2	49.8	28.2
D	44.0	21.2	44.0	21.2
E	25.2	12.8	25.2	12.8
F	17.8	10.6	17.8	10.6
G	15.1	7.9	15.1	7.9
H	13.3	6.7	13.3	6.7
I	10.1	6.0	10.1	6.0
J	9.9	2.6	9.9	2.6
Others	6.0	2.3	6.0	2.3
	404.6	436.8	404.6	436.8

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

5 Revenue (continued)

5.2 Disclosure related to provisional pricing

	Revenue for FY 2025	Revenue from contracts with customers ¹	Other revenue (i.e. MTM/ final settlement)	Revenue from non- provisional pricing
Amount (US\$ million)	404.6	403.0	1.6	(0.0)
	Revenue for FY 2024	Revenue from contracts with customers ¹	Other revenue (i.e. MTM/ final settlement)	Revenue from non- provisional pricing
Amount (US\$ million)	434.8	436.7	(1.9)	0.0

6 Operating loss for the year has been stated after charging the following:

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ Million		US\$ Million	
Employee costs (see note 7)	93.3	76.1	93.3	76.1
Depreciation on property, plant and equipment (see note 16)	101.1	97.2	101.1	97.2
Amortisation on other intangible assets*	-	-	-	-
Donations**	0.2	0.1	0.2	0.1
Provisional Liquidator's emoluments	0.2	0.3	0.2	0.3

**Donations 2025 Group - US\$ 89,921 Company - US\$ 89,921 (2024: Group - US\$ 63,165 Company - US\$ 63,165).

7 Employee costs

Costs incurred during the year in respect of
Employees and Directors;

Salaries and wages	77.5	70.9	77.5	70.9
Defined contribution scheme (see note 29)	12.7	4.2	12.7	4.2
Other long-term employee benefits (note 29)	2.9	0.7	2.9	0.7
Provisional Liquidators' emoluments	0.2	0.3	0.2	0.3
Total employee costs	93.3	76.1	93.3	76.1

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

7 Employee costs (continued)

Employee cost is charged to cost of sales and administration cost as follows:

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ Million		US\$ Million	
Cost of sales	61.8	56.6	61.8	56.6
Administration cost	31.4	19.5	31.4	19.5
	93.3	76.1	93.3	76.1

8 Other operating income

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ Million		US\$ Million	
Scrap sales *	0.2	0.3	0.2	0.3
Sundry income	2.2	2.1	2.2	2.1
Tolling fees	0.0	0.0	0.0	0.0
	2.4	2.4	2.4	2.4

9 Finance income

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ Million		US\$ Million	
Interest income on bank balances*	1.6	0.0	1.6	0.0

*Interest income on bank balances 2025: Group - US\$ 1,6 million Company US\$ 1,6 million (2024: Group US\$ 2,262 Company US\$ 2,262).

Interest income is recognised in profit or loss for all interest-bearing instruments on an actual basis. It is based on the original effective interest rate and outstanding balance as at the end of each month.

10 Finance cost

	2025	2024	2025	2024
	US\$ Million		US\$ Million	
Interest on financial liabilities at amortized cost (1)	71.2	138.9	71.2	138.9
Other long term employee benefits (note 29)	1.3	1.1	1.3	1.1
Unwinding of discount	5.8	(9.3)	5.8	(9.3)
Other borrowing and finance costs (2)	-	0.2	-	0.2
Other finance costs	-	0.7	-	0.7
Total Finance costs	78.3	131.5	78.3	131.5

(1) This includes interest on Inter Company Facilities of US\$ 59,0 million (2024: US\$ 99,5 million), interest on other bank loans and overdrafts of US\$ 12,2 million (2024: US\$ 39,4 million)

(2) There were no commissions for Letters of Credit (LC) during the year 2025 (2024: US\$ 0,2 million).

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

11 Taxation

	GROUP		COMPANY	
	2025 US\$ Million	2024	2025 US\$ Million	2024
Current tax:				
Zambia*	(0.4)	(0.1)	(0.4)	(0.1)
	(0.4)	(0.1)	(0.4)	(0.1)
* Current tax US\$ 443,866 (2024: US\$ 68,364).				
Deferred tax				
Movement in deferred tax (see note 12)	117.2	109.2	117.2	109.2
Tax credit/(charge)	116.7	109.1	116.7	109.1

11.1 Overview of the Zambian Tax Regime

- The tax rate on profit generated out of integrated operations and custom smelting currently stands at 30% with tax rate on hedge at 30%
- The loss from integrated operations cannot be carried forward beyond ten subsequent years after the year in which the loss is incurred. The set of loss in a particular year is allowed up to a maximum of fifty percent of the income of that year.
- Tax deductions for mining capital expenditure are available at the rate of 20% on a straight line basis.

11.2 Reconciliation of tax credit

The charge for the year presented can be reconciled to the loss before taxation at the statutory income tax rate in Zambia applicable to mining operations as follows:

	GROUP		COMPANY	
	2025 US\$ Million	2024	2025 US\$ Million	2024
Loss before taxation	(429.7)	2,688.5	(429.7)	2,688.5
Zambian statutory income tax rate of 30% (2024: 30%).	128.9	(806.5)	128.9	(806.5)
Hedge Losses	0.0	(0.92)	-	(0.9)
Expenses not deductible for tax purposes	(12.2)	916.6	(12.2)	916.6
Tax credit/ (charge)	116.7	109.1	116.7	109.1
Effective tax rate	-27%	4%	-27%	4%

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

11 Taxation (continued)

In accordance with the provisions of the Income Tax Act No. 6 of 2015, the Group had accumulated unused tax losses amounting to US\$2,021.4 million as at 31 March 2025 (31 March 2024: US\$1,942.9 million). These tax losses are available for carry-forward and may be utilised to offset up to 50% of taxable income earned in a charge year, provided the income arises from the same source. The losses are eligible for set-off for a period of ten years from the year in which they were initially incurred. The tax losses relate to the following financial periods:

11.2 Reconciliation of tax credit (continued)

i) Mining activities	2025	2024
	US\$ Million	US\$ Million
2024/25 tax losses to expire in 2035	194.3	0.0
2023/24 tax losses to expire in 2034	466.0	464.6
2022/23 tax losses to expire in 2033	338.6	333.3
2021/22 tax losses to expire in 2032	231.1	224.6
2020/21 tax losses to expire in 2031	80.2	77.9
2019/20 tax losses to expire in 2030	255.5	249.2
2018/19 tax losses to expire in 2029	112.2	145.6
2017/18 tax losses to expire in 2028	59.1	59.1
2016/17 tax losses to expire in 2027	171.4	171.4
2015/16 tax losses to expire in 2026	122.0	122.0
2014/15 tax losses to expire in 2025	95.2	95.2
Total	2,125.6	1,942.9

11.3 Movement on the tax balance

	2025	2024
	US\$ Million	US\$ Million
Tax charge for the year*	(0.4)	(0.1)
Tax payable at year end	(0.4)	(0.1)

*Tax charge for the year 2025 is \$ 443,886 (2024: US\$ 68, 364) and no tax was paid during the year 2025 (2024: Nil).

12 Deferred tax

The deferred taxation recognised in the statement of profit or loss is as follows:

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ Million		US\$ Million	
Accelerated capital allowances	(20.4)	(23.3)	(20.4)	(23.3)
Unutilised tax losses	(54.9)	(139.4)	(54.9)	(139.4)
Hedging transactions	0.0	0.9	0.0	0.9
Provisions	(41.9)	52.6	(41.9)	52.6
Recognised deferred tax movement	(117.2)	(109.1)	(117.2)	(109.1)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

12 *Deferred tax (continued)*

The following is the analysis of deferred tax (assets)/liabilities presented in the statements of financial position:

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ Million		US\$ Million	
Accelerated capital allowances	279.3	299.7	279.3	299.7
Tax losses	(637.7)	(582.9)	(637.7)	(582.9)
Provisions and others	(240.4)	(198.4)	(240.4)	(198.4)
	(598.8)	(481.6)	(598.8)	(481.6)

Deferred tax asset recognition

The Company applies IAS 12 - Income Taxes, to temporary differences between the carrying amount of the assets and liabilities and their tax bases. Under IAS 12, a deferred tax asset should be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. When considering the availability of future taxable profits, judgement is applied by the Group's management when evaluating the projections of the future taxable income which are based on approved business plans and cash flow projections. Estimates such as projected inflation rates and interest rates are used by management in determining cash flows.

13 **Basic and diluted earnings per share are based on the following data:****Loss per share**

Loss for basic and diluted earnings per share is the loss for the year attributable to equity holders of the Company (US\$ million)	(313.0)	2,797.6	(313.0)	2,797.6
Weighted average number of shares of the Company in issue (million) (for basic and diluted earnings per share)	1,098.7	1,098.7	1,098.7	1,098.7
Loss per share on loss for the year (cents per share)	(28.5)	254.6	(28.5)	254.6

As set out in Note 26, share-based payment awards have been granted to certain employees of the Group by Vedanta Resources Ltd, and as such involve the issuance of shares by Vedanta Resources Ltd. Consequently, these options are not considered dilutive from the Group's perspective.

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NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

14 Intangible asset - goodwill	GROUP		COMPANY	
	GROUP	-	COMPANY	-
	US\$ Million		US\$ Million	
Cost				
At beginning of year	109.7	109.7	109.7	109.7
At end of year	109.7	109.7	109.7	109.7
Carrying amount				
At end of year	109.7	109.7	109.7	109.7

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The Company has one cash-generating unit. The recoverable amount of that cash generating unit is determined based on a fair value less cost of disposal using market observable data and a detailed discounted cash flow model. The key assumptions for the detailed cash flow models are those regarding copper pricing, costs, discount rates and production growth rates set out in the life of mine plans.

Despite the trading losses, the opinion of the Board of Directors is that no impairment of the goodwill is required. This opinion is based on:

- Institutionalisation of redesigned operational philosophy to partner with renowned expert companies for dewatering & development and benchmark operation & maintenance for best Plant and Equipment reliabilities which is showing signs of stabilisation;
- Long term forecast indicate that the goodwill still has value (NPV US\$ 4,156 million and Net Assets US\$ 992 million).

15 Other intangible assets	GROUP		COMPANY	
	GROUP	-	COMPANY	-
	US\$ Million		US\$ Million	
Cost				
Balance as at 31 March 2024	10.7	10.7	10.7	10.7
Balance as at 31 March 2025	10.7	10.7	10.7	10.7
Accumulated amortisation				
Balance at as 31 March 2024	10.7	10.7	10.7	10.7
Balance as at 31 March 2025	10.7	10.7	10.7	10.7
Carrying amounts of:				
Balance as at 31 March 2024	-	-	-	-
Balance as at 31 March 2025	-	-	-	-

The following useful lives are used in the calculation of amortisation:

Computer software (SAP) 2 years

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NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

16 Property, plant and equipment

US\$ Million	Mining properties	Right of use asset	Leasehold land and buildings	Plant and other equipment	Assets under constructions	Total
COST						
As at 1 April 2023	880.4	2.4	100.4	2,267.1	19.1	3,269.4
Additions	18.5	-	-	11.6	(1.8)	28.3
As at 31 March 2024	898.9	2.4	100.4	2,278.7	17.4	3,297.7
Additions	8.5	-	-	2.2	1.9	12.5
Balance as at 31 March 2025	907.4	2.4	100.4	2,280.8	19.2	3,310.2
ACCUMULATED DEPRECIATION						
As at 1 April 2023	501.2	2.4	81.7	1,546.3	-	2,131.5
Charge for the year	24.0	-	2.0	71.2	-	97.2
As at 31 March 2024	525.2	2.4	83.7	1,617.5	-	2,228.7
Charge for the year	18.8	-	1.9	80.3	-	101.1
Balance as at 31 March 2025	544.0	2.4	85.6	1,697.8	-	2,329.8
CARRYING AMOUNT						
As at 31 March 2024	373.7	-	16.7	661.2	17.4	1,069.0
As at 31 March 2025	363.4	-	14.8	583.0	19.2	980.4

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NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

16 Property, plant and equipment (continued)

US\$ Million	Mining properties	Right of use asset	Leasehold land and buildings	Plant and other equipment	Assets under constructions	Total
COST						
As at 1 April 2023	880.4	2.4	100.4	2,267.1	19.1	3,269.4
Additions	18.5	-	-	11.6	(1.8)	28.3
As at 31 March 2024	898.9	2.4	100.4	2,278.7	17.4	3,297.7
Additions	8.5	-	-	2.2	1.9	12.5
Balance as at 31 March 2025	907.4	2.4	100.4	2,280.8	19.2	3,310.2
ACCUMULATED DEPRECIATION						
As at 1 April 2023	501.2	2.4	81.7	1,546.3	-	2,131.5
Charge for the year	24.0	-	2.0	71.2	-	97.2
As at 31 March 2024	525.2	2.4	83.7	1,617.5	-	2,228.7
Charge for the year	18.8	-	1.9	80.3	-	101.1
Balance as at 31 March 2025	544.0	2.4	85.6	1,697.8	-	2,329.8
CARRYING AMOUNT						
As at 31 March 2024	373.7	-	16.7	661.2	17.4	1,069.0
As at 31 March 2025	363.4	-	14.8	583.0	19.2	980.4

Management has deemed that the carrying amounts of property, plant and equipment is reasonable.

In accordance with Section 278 of the Companies Act, 2017 the Register of land and buildings is available for inspection by members and their duly authorised agents at the registered records office of the Company.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

17 Investment in SmelterCo

The investment is held in KCM (SmelterCo) Limited, a wholly owned subsidiary company, incorporated in the Republic of Zambia. Investment is carried at cost. The investment in KCM (SmelterCo) Limited is carried at cost with a value of US\$ 5,8 million (2024: US\$ 5,8 million). The Company also has an investment in Konkola Mineral Resources Limited (KMRL) which is dormant with a carrying value of nil (2024: Nil).

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ Million		US\$ Million	
As at 31 March	5.8	5.8	5.8	5.8

18 Inventories

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ Million		US\$ Million	
Work-in-progress	109.7	82.7	109.7	82.7
Raw materials and consumables	36.1	30.8	36.1	30.8
Finished goods	25.3	0.9	25.3	0.9
	171.0	114.3	171.0	114.3

The cost of inventories recognised as an expense and included in cost of sales during the year to 31 March 2025 was US\$ 94.8 million (2024: US\$ 271.6 million).

Inventory held at net realisable value as at 31 March 2025 amounted to US\$ 131.9 million (2024: US\$ 78.6 million).

Inventories are disclosed net of provision for obsolete stock amounting to US\$ 37.3 million (2024: US\$ 36.8 million).

19 Trade and other receivables

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ Million		US\$ Million	
VAT recoverable (see note 19.1)	50.5	161.6	50.5	161.6
Prepayments	0.6	10.5	0.6	10.5
Trade receivables	15.6	25.5	15.6	25.5
Other receivables - Advance to vendors	42.9	11.4	42.9	11.4
	109.6	209.1	109.6	209.1

Included in trade receivables is an amount of US\$ 7.1 million (2024 US\$ 9.0 million) due from Mimbula Mineral Resources as consideration for the transfer of surface rights.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

19 Trade and other receivables (continued)

19.1 VAT Recoverable

As at 31 March 2025, the total VAT receivable pending for refund stood at US\$ 50.5 million (2024: US\$ 161.6 million). Based on the management's best estimate, backlog VAT refund of US\$ 172.9 million (2024: US\$ 24.0 million) related to old VAT rule 18 regime has been classified as non current (see note 25)

19.2 Trade receivables

Effective 23 February 2015, Rule 18 was amended by allowing exporters to submit transit documents issued by the customs authority in the country of transit of the goods instead of import certificates from the country of destination, as proof of export for purposes of VAT zero rating.

KCM is in full compliance with the revised Rule 18 and all the requisite documents have been submitted to the satisfaction of Rule 18.

The credit period given to customers ranges from zero to 90 days. The historical level of customer default is minimal. All trade receivables are provisionally priced.

19.3 Movement in expected credit loss

The expected credit loss for trade and other receivables as at 31 March 2025 is US\$ 0.2 million (31 March 2024: US\$ 0.2 million).

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ Million		US\$ Million	
Balance at beginning of the year	0.2	0.2	0.2	0.2
Balance at end of the year	0.2	0.2	0.2	0.2

20 Bank and cash balance

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ Million		US\$ Million	
Cash at bank and in hand	63.8	5.3	63.8	5.3

Short-term deposits are made for periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

21 Trade and other payables

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ Million		US\$ Million	
Accruals	183.2	158.1	203.9	158.1
Trade payables	284.2	164.1	284.2	164.1
Advance from customers	49.3	33.1	49.3	33.1
Statutory liabilities	173.1	174.7	173.1	174.7
Dividend payable	12.9	12.9	12.9	12.9
Other payables	15.0	7.4	15.0	7.4
	717.8	550.4	738.5	550.4

Trade payables are generally non-interest bearing and are normally settled on 60 to 90 day terms.

Trade and other payables include intercompany payables of **US\$ 202.3 million** (2024: US\$ 191.9 million) as disclosed in note 32.2a).

22 Other financial liabilities

Other financial liabilities comprises:

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ Million		US\$ Million	
Fair value hedge payable (refer note 28.10)	1.0	1.4	1.0	1.4
	1.0	1.4	1.0	1.4
Due within 1 year	1.0	1.4	1.0	1.4

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

23 Borrowings

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ Million		US\$ Million	
Related party loans (see note 31.2)	674.8	348.5	674.8	348.5
GRZ Loan	10.5	10.5	10.5	10.5
First Capital Bank Botswana Loan	17.0	-	17.0	-
Total	702.3	359.0	702.3	359.0
Borrowings are repayable as:				
Payable over a year	702.3	359.0	702.3	359.0
Total borrowings	702.3	359.0	702.3	359.0

(i) First Capital Bank Botswana Loan

A Term loan facility from First Capital Bank Botswana amounting to US\$20 million effective from Sept 2024 with a 36 month tenor with interest payable annually at 8.33%.

24 Provisions

THE GROUP AND COMPANY:

US\$ Million	Restoration rehabilitation and environmental	Other long term employee benefits (note 29)	Total
As at 1 April 2023	34.7	4.0	38.7
Charged to profit or loss	(9.3)	0.7	(8.6)
Cash paid	-	(0.1)	(0.1)
As at 31 March 2024	25.4	4.6	30.0
Charged to profit or loss	-	1.9	1.9
Cash paid	-	0.8	0.8
As at 31 March 2025	25.4	7.4	32.7
Current 31 March 2024	25.4	4.6	30.0
Non-current 31 March 2024	25.4	4.6	30.0
Current 31 March 2025	25.4	7.4	32.7
Non-current 31 March 2025	25.4	7.4	32.7

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

24 Provisions

Restoration, rehabilitation and environmental

The restoration, rehabilitation and environmental provision represents the net present value of the Group's best estimate of the expenditure required to settle the obligation to rehabilitate environmental disturbances caused by mining operations. The provision recognised has been discounted at 6.52% (pre-tax) (2024: 6.52%).

The Company is expected to make contributions to the Environmental Protection Fund, controlled by the Mines Safety Department under the Ministry of Mines and Mineral Development, over a period of five years after which the fund will be assessed for adequacy. Citizens for a Better Environment were used to estimate the restoration and closure costs.

Terminal benefits

Terminal benefits relates to projected terminal pay to employees who, on retirement or on separation due to ill health qualify to be paid out in line with conditions of services. The provision recognised is based on Actuarial valuation for the year 2025

25 Other non current assets

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ Million		US\$ Million	
VAT Recoverable (a)	172.9	24.0	172.9	24.0
Contributions to the Environmental Protection	12.1	5.5	12.1	5.5
Others (b)	15.5	20.0	15.5	20.0
	200.4	49.5	200.4	49.5

- (a) As at 31 March 2025, backlog Value Added Tax (falling under older VAT rule 18 regime) on inputs amounting to US\$ 172.9 million (2024: US\$ 24.0 million) was pending for refund from the Government of republic of Zambia (GRZ) through the Zambia Revenue Authority.

ZRA conducted comprehensive review audits with respect to back log VAT which were done through control audits and as a result the Group does not see the need recognize any provision against the carrying amount of this receivable; however due to substantial passage of time in closure of the comprehensive assessment, the group has continued to classify this Back Log Vat as a receivable amount under "Non-Current" item in the Statement of Financial Position. Management is convinced that this amount will eventually be paid looking at the amount of work and agreed position that has been made by both parties (KCM and ZRA).

- (b) During financial year ended 31 March 2017, sub-division activities mandated for effecting the transfer of Power network infrastructure in favour of Copperbelt Energy Corporation Plc (CEC) were concluded and consequently the amount paid on behalf of CEC towards power network infrastructure was transferred from Capital work in progress to other financial assets (as per IFRS 9). This is because along with the transfer of ownership, all future economic benefits associated with the asset were to flow to Copperbelt Energy Corporation Plc (CEC) as per IAS 16.

The Group continues to account for the non-current portion of the other financial asset at fair value which is US\$ 15.5 million as at 31 March 2025 (31 March 2024: US\$ 20,0 million).

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

26 Share capital and share-based payments

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ Million		US\$ Million	
Authorised shares				
24,060,000,000 ordinary shares of	240.6	240.6	240.6	240.6
60,000,000 deferred shares of US\$0.99	60.0	60.0	60.0	60.0
At end of the year	300.6	300.6	300.6	300.6
Ordinary shares issued and fully paid				
Ordinary shares of 1 US cents each	11.0	11.0	11.0	11.0
Deferred shares of 99 US cents each	59.4	59.4	59.4	59.4
	70.4	70.4	70.4	70.4

The breakdown of shareholders at each reporting date is as follows:

Shareholder	Ordinary Shares of US\$0.01
Vedanta Resources Holdings Ltd	872,569,649
ZCCM Investments Holding Plc	226,107,824
Total number of Ordinary Shares	1,098,677,473

Ordinary shares

Ordinary shares have full voting rights and rights to dividends and are entitled on a winding up to a distribution equal to their par value and share premium created on their issue. The holders of the ordinary shares are entitled to any remaining balance after repayment of the special share and deferred shares.

Deferred shares

Deferred shares have no voting rights or rights to dividends, but are entitled on a winding up to a return of 99 US cents per share once all of the ordinary shares have received a distribution equal to their par value and any share premium created on their issue and which remains distributable to them.

Special share

The special share can only be held by the Minister of Finance on behalf of the Government of the Republic of Zambia. The special shareholder is entitled to certain rights including a requirement to obtain its written consent before any material change is undertaken in the nature of the Company's business and effecting of the voluntary winding up of the Company. In the event of a winding up of the Company, the special shareholder is entitled to repayment of the capital paid on the special share; such repayment is to be made before the repayment of capital to any other member. The Special share confers no other right to participate in the capital distribution or profits of the Group.

Share-based payments

The Company offers equity-based and cash-based award plans to its employees, officers and directors through its parent, Vedanta Resources Ltd (the "Parent" or "VRL"). [Performance Share Plan ("PSP")]. Further its fellow subsidiary, Vedanta Limited ("VEDL") has also issued equity based and cash based awards to its employees, [The Vedanta Limited Employee Stock Option Scheme (ESOS)].

26 Share capital and share-based payments**Share-based payments (continued)**

The PSP and ESOS are the primary arrangement under which share-based incentives are provided to the defined management group. The maximum value of shares that can be awarded to members of the wider management group is calculated by reference to the grade average CTC and individual grade of the employee.

The performance condition attaching to outstanding awards under the PSP is that of Parent's performance, measured in terms of Total Shareholder Return ("TSR") compared over a three-year period with the performance of the competitor companies as defined in the scheme from the date of grant. The extent to which an award vests will depend on the Parent's TSR rank against a group or groups of peer companies at the end of the performance period and as moderated by its Remuneration Committee. Dependent on the level of employee, part of these options will be subject to a continued service condition only with the remainder measured in terms of TSR.

As at 31 March 2025, the outstanding liability was **US\$ 65 374** (2024: US\$ 65 374).

Initial awards under the PSP were granted on 17 November 2014. The Parent Company further issued awards on 30 December 2015. All these plans were equity settled. The exercise price of the awards is 10 US cents per share and the performance period is three years, with no re-testing being allowed. On 2 March 2017 and 14 November 2017, the Parent Company also launched cash based plans under the same scheme with an additional condition of the business performance set against business plan for the financial year. During the year, through an open offer all the outstanding awards were bought back by VRL's parent, Volcan Investments Limited.

The performance condition attached to awards under ESOS is similar to that of PSP i.e. TSR and continued service. For the awards given in 2017 and 2018, business performance ("EBITDA") set against business plan for the financial year is included as an additional performance condition. The awards are both equity settled and cash settled.

	GROUP		COMPANY	
	2025	2024	2025	2024
Liability at beginning of the year	(5,470,747)	(5,470,747)	(5,470,747)	(5,470,747)
Increase in liability	-	-	-	-
Liability at end of the year	(5,470,747)	(5,470,747)	(5,470,747)	(5,470,747)

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NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2025

27 Other reserves

Other reserves represent a capital reserve arising on the acquisition of assets and operations from Zambia Consolidated Copper Mines Limited in March 2000.

28 Financial instruments

28.1 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2014.

The capital structure of the Group consists of net debt (borrowings as detailed below offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves and retained earnings as detailed in note 26).

The Group's risk management committee reviews the capital structure of the Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group's target gearing ratio is an amount equal or less than 100% determined as the proportion of net debt to equity. The gearing ratio as at 31 March 2025 stood at 82% (2024: 32%) (see below):

28.1.1 Gearing ratio

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ Million			
Total debt (i)	702.3	359.0	702.3	359.0
Cash and bank balances	(63.8)	(5.3)	(63.8)	(5.3)
Net debt (See below for movement in net debt)(ii)	638.4	353.7	638.4	353.7
Equity (iii)	781.4	1,097.7	766.5	1,097.7
Net debt to equity ratio	82%	32%	83%	32%

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NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

28 Financial instruments (continued)

28.1.1 Gearing ratio (continued)

- (i) Debt is defined as long and short-term borrowings and bank overdrafts (excluding derivatives and financial guarantee contracts).
- (ii) Net debt is Total debt minus cash and bank balances
- (iii) Equity includes all capital and reserves of the Group that are managed as capital.

Movement in net debt

GROUP: US\$ million	Bank and cash balances		Debt from parent company incl overdraft		Total Debt		Net debt
	(a)	(b)	(b)	c)=(a)+(b)	(b)	c)=(a)+(b)	
As at 1 April 2023	1.4	(1,337.1)	(1,357.2)	(1,355.8)			
Cash (outflow)/cash inflow	3.9	-	-	3.9			
Unwinding of Liabilities	-	985.5	998.2	998.2			
As at 31 March 2024	5.3	(351.6)	(359.0)	(353.7)			
Cash (outflow)/cash inflow	58.5	(320.7)	(343.3)	(284.7)			
Unwinding of Liabilities (Note 34)	-	-	-	-			
As at 31 March 2025	63.8	(672.3)	(702.3)	(638.4)			
THE COMPANY: US\$ million							
As at 1 April 2023	1.4	(1,337.1)	(1,357.2)	(1,355.8)			
Cash (outflow)/cash inflow	3.9	0.0	0.0	3.9			
Unwinding of Liabilities	-	985.5	998.2	998.2			
As at 31 March 2024	5.3	(351.6)	(359.0)	(353.7)			
Cash (outflow)/cash inflow	58.5	(320.7)	(343.3)	(284.7)			
Unwinding of Liabilities (Note 34)	-	-	-	-			
As at 31 March 2025	63.8	(672.3)	(702.3)	(638.4)			

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

28 Financial instruments (continued)

28.2 Categories of financial instruments

	GROUP		COMPANY	
	2025 US\$ Million	2024	2025 US\$ Million	2024
Financial assets				
- Cash and bank balances	63.8	5.3	63.8	5.3
- Trade and other receivables(Note19)*	59.1	47.5	59.1	47.5
	123.0	52.8	123.0	52.8
Financial liabilities				
- Trade and other payables(Note21)*	(545.5)	(375.7)	(566.2)	(375.7)
- Other financial liabilities	(1.0)	(1.4)	(1.0)	(1.4)
- Borrowings (excluding overdrafts)(Note23)	(702.3)	(359.0)	(702.3)	(359.0)
	(1,248.8)	(736.1)	(1,269.5)	(736.1)

*Trade and other receivables excludes statutory receivables.

* Trade and other payables excludes statutory liabilities.

28.3 Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and commodity price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures where significant. The use of financial derivatives is governed by the Group's policies approved by the board of directors on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments for speculative purposes.

28.4 Market risk

The Group's financial risk policies comprise commodity, interest rate risk and currency risk. In principle the Group does not engage in speculative treasury activity but seeks to manage risk and optimise interest and commodity pricing through proven financial instruments. These liabilities arise from the purchase of concentrates from third parties.

28.5 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

28 Financial instruments (continued)

28.5 Foreign currency risk management (continued)

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

	Financial assets		Financial liabilities	
	2025	2024	2025	2024
	US\$ Million		US\$ Million	
GROUP				
Zambian Kwacha	-	-	519.0	409.6
South African Rand	-	-	3.8	1.2
Indian Rupee	-	-	0.0	0.0
Euro	-	-	0.3	0.3
GBP	-	-	1.7	1.7
COMPANY				
Zambian Kwacha	-	-	519.0	409.6
South African Rand	-	-	3.8	1.2
Indian Rupee	-	-	0.0	0.0
Euro	-	-	0.3	0.3
GBP	-	-	1.7	1.7

The following are exchange rates for the significant currencies applied as at the reporting date:

	2025	2024
1 ZMW =	0.04	0.04
1 ZAR =	0.05	0.05
1 INR =	0.01	0.01
1 EURO =	1.29	1.08
1 GBP =	1.08	1.26

Foreign currency sensitivity

The following table illustrates a 10 percent change of the foreign currencies (strengthening) against the US dollar. 10 percent change is the sensitivity rate that management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only foreign currency denominated monetary items outstanding at the reporting date and adjusts their translation for a 10 percent change in foreign currency rates. This analysis assumes all other variables, in particular interest rates remain constant.

Effect on foreign currencies

	Profit before tax	
	2025	2024
	US\$ Million	
Zambian Kwacha	51.9	41.0
South African Rand	0.4	0.1
Indian Rupee	0.0	0.0
Euro	0.0	0.0
GBP	0.2	0.2

KONKOLA COPPER MINES PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

28 Financial instruments *(continued)*

28.6 Interest rate risk management

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

28.6.1 Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period. For floating rate borrowings, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit before tax would be impacted by US\$ 8.4 million (2024: US\$ 8.3 million). There is no significant impact on equity other than retained earnings.

28.7 Commodity price risk

The Group's smelting copper operations is benefitted by a natural hedge except to the extent of a possible mismatch in quotational periods between the purchase of concentrate and the sale of finished copper. The Group's policy on custom smelting is to avail copper concentrate for the blend optimisation and to insulate the Group from any possible LME price exposure. Hence, mismatches in quotational periods are managed to ensure that the gains or losses are minimised. The Group hedges this variability of LME prices through forward contracts and tries to make the LME price a pass-through cost between purchases of copper concentrate and sales of finished products, both of which are linked to the LME price. Fluctuations in Tc/Rc are influenced by factors including demand and supply conditions prevailing in the market for mine output. The Group's copper business has a strategy of securing a majority of its concentrate feed requirement under long-term contracts with mines.

As at 31 March 2025, the value of trade payables linked to commodities (excluding derivatives) accounted for at fair value under provisional pricing arrangements was \$18.8 million (31 March 2024: nil). These liabilities are subject to price movements until finalisation and the final price of these liabilities will be determined in the year beginning 1 April 2025.

Commodity price sensitivity analysis

If the LME had been US\$500 higher/lower and all other variables were held constant, the Group's profit before tax would be impacted by \$1.4 million (2024: US\$ nil). There is no significant impact on equity other than retained earnings.

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NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
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28 Financial Instruments (continued)

28.8 Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk in respect of cash and cash equivalents, receivables, and derivative financial instruments. Credit risk on receivables is limited as almost all credit sales are with the customers with whom the Group has secured financial arrangements in the form of advance against forecasted sales pending offset under the INCOTerms or have contractual dues payable under a commodity purchase agreements. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with a minimum rating of BBB.

The maximum exposure to credit risk arising from underlying financial assets is US\$ 15.6 million (2024: US\$ 25.5 million).

28.9 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 28.9.2 below sets out details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

28.9.1 Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

THE GROUP

US\$ Million	Weighted average effective interest %	Contractual maturity				Total	Carrying Amount
		Less than 1 month	1 - 3 months	3 months to 1 year	1 - 5 years		
As at 31 March 2025	8.16	-	-	-	10.5	10.5	10.5
Non-interest bearing (see note 23)	-	-	-	-	-	-	-
Fixed interest rate instruments (see note 23)	-	-	-	-	674.8	674.8	674.8

KONKOLA COPPER MINES PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

28 Financial instruments (continued)

28.9 Liquidity risk management (continued)

28.9.1 Liquidity and interest risk tables (continued)

THE GROUP

US\$ Million

As at 31 March 2024

Non-interest bearing (see note 23)

Fixed interest rate instruments (see note 23)

Total

Weighted average effective interest %	Less than 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	Total	Carrying Amount
-	-	-	-	-	10.5	10.5
6.65	-	-	-	-	348.5	348.5
	-	-	-	-	359.0	359.0

THE COMPANY

US\$ Million

As at 31 March 2025

Non-interest bearing (see note 23)

Fixed interest rate instruments (see note 23)

Total

Weighted average effective interest %	Less than 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	Total	Carrying Amount
-	-	-	-	-	10.5	10.5
8.16	-	-	-	-	674.8	674.8
	-	-	-	-	685.2	685.2

US\$ Million

As at 31 March 2024

Non-interest bearing (see note 23)

Fixed interest rate instruments (see note 23)

Weighted average effective interest %	Less than 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	Total	Carrying Amount
-	-	-	-	-	10.5	10.5
6.7	-	-	-	-	348.5	348.5
	-	-	-	-	359.0	359.0

KONKOLA COPPER MINES PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

28 Financial Instruments (continued)

28.9 Liquidity risk management (continued)

28.9.1 Liquidity and interest risk tables (continued)

THE GROUP

US\$ Million	Weighted average effective interest %	Less than 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	5+ years	Total	Carrying Amount
As at 31 March 2025								
Cash and bank balances	63.8	-	-	-	-	-	63.8	63.8
Non-interest bearing	-	59.1	-	-	-	-	59.1	59.1
	63.8	59.1	-	-	-	-	123.0	123.0

Weighted average effective interest %

US\$ Million	Weighted average effective interest %	Less than 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	5+ years	Total	Carrying Amount
As at 31 March 2024								
Cash and bank balances	5.3	-	-	-	-	-	5.3	5.3
Non-interest bearing	-	47.5	-	-	-	-	47.5	47.5
	5.3	47.5	-	-	-	-	52.8	52.8

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

KONKOLA COPPER MINES PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

28	Financial instruments (continued)													
28.9	Liquidity risk management (continued)													
28.9.1	Liquidity and interest risk tables (continued)													
	THE COMPANY													
	US\$ Million	Weighted average effective interest %	Less than 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	5+ years	Total	Carrying Amount					
	As at 31 March 2025													
	Cash and bank balances		63.8	-	-	-	-	63.8	63.8					
	Non-interest bearing(Note19)		-	59	-	-	-	59.1	59.1					
			63.8	59.1	-	-	-	123.0	123.0					

	US\$ Million	Weighted average effective interest %	Less than 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	5+ years	Total	Carrying Amount
	As at 31 March 2024								
	Cash and bank balances		5.3	-	-	-	-	5.3	5.3
	Non-interest bearing		-	47.5	-	-	-	47.5	47.5
			5.3	47.5	-	-	-	52.8	52.8

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The Group has access to financing facilities as described in note 28.9.2 below. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

28 Financial instruments *(continued)*

28.9 Liquidity risk management *(continued)*

28.9.1 *Liquidity and interest risk tables* *(continued)*

There were no derivative financial instruments as at 31 March 2025 (31 March 2024: Nil).

28.9.2 *Financing facilities*

The Company and Group had overdraft facilities of US\$5.0 Million as at year end (2024: Nil).

In addition to above facilities, KCM has loans of US\$ 702.3 million (2023: US\$359.0 (Refer note 27)).

28.10 Fair value measurements

28.10.1 *Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis*

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Financial assets/financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique (s) and key input (s)	Significant unobservable input (s)	Relationship of unobservable inputs to fair value
	2025 Liability US\$ 1.0 Million	2024 Liability US\$ 1.4 Million				
Commodity forward contracts - at FVTPL			Level 2	Discounted cash flow. Future cash flows are estimated based on London Metal Exchange	N/A	N/A

The figures above relate to the Group and Company.

KONKOLA COPPER MINES PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

- 28 Financial instruments (continued)
28.10 Fair value measurements (continued)

28.10.2 Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	GROUP		2024		2025		COMPANY		2024	
	Carrying Amount	Fair Value								
	US\$ Million	US\$ Million								
Financial assets										
Loans and receivables:	123.0	123.0	52.8	52.8	123.0	123.0	123.0	123.0	52.8	52.8
- bank and cash	63.8	63.8	5.3	5.3	63.8	63.8	63.8	63.8	5.3	5.3
- trade and other receivables	59.1	59.1	47.5	47.5	59.1	59.1	59.1	59.1	47.5	47.5
Financial liabilities										
Financial liabilities held at amortised cost:	(1,248.8)	(1,248.8)	(736.1)	(736.1)	(1,269.5)	(1,269.5)	(1,269.5)	(1,269.5)	(736.1)	(736.1)
- trade and other payables	(545.5)	(545.5)	(375.7)	(375.7)	(566.2)	(566.2)	(566.2)	(566.2)	(375.7)	(375.7)
- borrowings	(702.3)	(702.3)	(359.0)	(359.0)	(702.3)	(702.3)	(702.3)	(702.3)	(359.0)	(359.0)
- other financial liabilities	(1.0)	(1.0)	(1.4)	(1.4)	(1.0)	(1.0)	(1.0)	(1.0)	(1.4)	(1.4)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

29 Retirement benefits

29.1 Defined contribution plans

The Group operates defined contribution retirement benefits plans for all qualifying employees. The assets are held separately from those of the Group in funds under the control of trustee. Where employees leave the plan prior to the vesting of the contribution, the contributions are paid to the employee in line with the pension scheme trust deed and the law.

The total expense recognised in profit or loss of US\$12.7 million (2024: US\$4.2 million) represents contributions payable to these plans by the Group.

29.2 Other long-term employee benefits

The Company operates employee benefits as set out below:

- Post retirement, repatriation and medical benefits; and
- Holiday leave benefits provided to unionised employees for at one months basic pay for each year served.

The recent actuarial valuation of the plan assets and the present value of the retirement benefit obligation were carried out on 31 March 2025 by Zenix Actuarial and Risk Consultants. The present value of the retirement benefit obligation, and the related current service cost and past service cost were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

- Discount rate of 31 March 2025 was **21.80%** (31 March 2024: 26.50%).
- Rate of increase of compensation levels for 31 March 2025 of **5%** (31 March 2024: 5%).
- Average future working life for 31 March 2025 of **14 years** (31 March 2024: 15 years).

Amounts recognised in the consolidated statement of profit or loss in respect of these retirement benefit schemes are as follows:

	2025 US\$ Million	2024
Current service cost	1.6	1.5
Interest cost	1.3	1.1
Net actuarial gains recognised (Realised)	-	(1.8)
	2.9	0.7

The charge for the year is included in the employee benefit expenses in the consolidated statement of profit or loss.

Amount included in the statement of financial position within provisions in respect of its retirement benefit plans:

	2025 US\$ Million	2024
Present value of benefit obligation	6.5	4.6

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

29 Retirement benefits (continued)

29.2 Other long-term employee benefits (continued)

Movements in the present value of the retirement benefit obligation are as follows:

	2025 US\$ Million	2024
At beginning of year	4.6	4.6
Interest cost	1.3	1.3
Service cost	1.6	1.6
Benefits paid	(1.2)	(0.9)
Actuarial loss on obligations	0.2	(1.3)
At end of year	6.5	4.3

The movement in the liability recognised in the statement of financial position is as follows:

	2025	2024
At beginning of year	4.6	4.6
Amount charged to profit or loss	3.1	0.9
Contribution paid	(1.2)	(0.9)
At end of year	6.5	4.6

FY 2026 Projection

Projected Movements in the present value of the retirement benefit obligation for the next financial year are as follows:

At beginning of year	6.5
Interest cost	1.7
Service cost	1.4
Benefits paid	(1.6)
Actuarial Gain/Losses	0.6
At end of year	8.68

The gain on the retirement benefit obligation is largely as a result of the following:

- i Change in economic assumptions
- ii Lower than expected salaries and benefits;
- iii Change in grades due to promotions;
- iv Demographic experience being different than expected and membership movements.
- v Change in exchange rate;

Sensitivity Analysis of defined benefit obligation

a Impact of change in discount rate on present value of obligation	
i Increase of 0.5%	(161,746.0)
ii Decrease of 0.5%	161,746.0
b Impact of change in Salary increase on present value of obligation	
i Increase of 0.5%	193,114.0
ii Decrease of 0.5%	(193,114.0)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

30 Commitments, guarantees and contingencies

The Group is involved in various claims and lawsuits incidental to its business. In the opinion of management, these claims and lawsuits in the aggregate will not have material adverse effect on the Group's financial statements.

30.1 Contingent liabilities

There were no other known material contingent liabilities as at 31 March 2025 except for the ones above and as disclosed in note 32 as litigation.

30.2 Contingent assets

There were no known material contingent assets as at 31 March 2025 and 31 March 2024.

30.3 Commitments

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ million		US\$ million	
Capital commitments contracted but not provided	9.1	15.9	9.1	15.9

31 Related party transactions

The Company's immediate holding Company is Vedanta Resources Holdings Limited, a Company incorporated in the United Kingdom.

Vedanta Resources Holdings Limited is wholly owned by Vedanta Resources Ltd, whose ultimate controlling party is Volcan, which is controlled by persons related to the Executive Chairman of Vedanta Resources Ltd, Mr Anil Agarwal. Volcan, which is incorporated in the Bahamas, does not produce Group accounts.

The Group in the ordinary course of business enters into various purchase and service transactions with other companies in the Vedanta Group. These transactions are under terms that are no more favourable than those arranged with third parties. The Company has balances with and has transacted with the following related parties during the year:

- Vedanta Resources Ltd, ultimate the holding Company;
- Vedanta Resources Holdings Limited - Immediate holding company
- Vedanta Resources (Jersey II) Ltd - Fellow Subsidiary of Vedanta Resources Ltd
- Hindustan Zinc Limited, a fellow subsidiary incorporated in India;
- Vedanta Ltd., a fellow subsidiary incorporated in India;
- Copper Mines of Tasmania Pty Limited, a fellow subsidiary incorporated in Australia;
- Fujairah Gold FZE, a fellow subsidiary incorporated in the United Arab Emirates;
- Black Mountain Mining (Pty) Ltd, a fellow subsidiary incorporated in the South Africa;
- Lisheen Mining Ltd, a fellow subsidiary incorporated in Ireland; and
- Skorpion Zinc (Pty) Ltd, a fellow subsidiary incorporated in Namibia.
- ZCCM Investments Holdings Plc, Minority shareholder (Refer note 25 for transactions with the entity)

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NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

31.1 Trading transactions: purchase/(sale) of goods and services

There were no related party purchases or sales during the year (2024: Nil).

31.2 a) Amount due to related parties (excluding loans)

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ million		US\$ million	
Vedanta Resources Ltd	22.4	26.1	22.4	26.1
Vedanta Resources (Jersey II) Ltd	127.2	127.2	127.2	127.2
Vedanta Resources Holdings Limited	36.1	10.9	36.1	10.9
Vedanta Ltd. - Copper Division	6.0	6.5	6.0	6.5
Fujairah Gold FZE	20.7	20.7	20.7	20.7
Black Mountain Mining (Pty) Ltd	0.5	0.5	0.5	0.5
	212.8	191.9	212.8	191.9

31.2 b) Loans due to related parties

Included in medium and long term and short term borrowings are loans from related parties (further details of which are provided in note 23):

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ million		US\$ million	
Vedanta Resources Ltd (i)	672.3	346.0	672.3	346.0
ZCCM-IH (ii)	2.5	2.5	2.5	2.5
Ministry of Finance (GRZ Loan) (iii)	10.5	10.5	10.5	10.5
	685.2	359.0	685.2	359.0

(i) Vedanta Resources Ltd

As at 21 May 2019, when Konkola Copper Mines was placed on provisional liquidation, the total Shareholders loan stood at US\$1 038,3 million. The loan is unsecured and bears an interest rate of 6.5% with a tenure of 3 years from the effective date (Effective date was 1 April 2017). After liquidation, Vedanta made some payments towards various parties in its capacity as the Guarantor. These included payments made to ICICI bank as a result of LC Encashments by Concentrate Suppliers of US\$ 124,6 million as well as loan repayments made by Vedanta (Guarantor) to SBSA and Stanbic of US\$ 149.5 million. These were converted into loans at Margin of 4.75% plus 3 months Libor.

As part of the re-entry conditions of Vedanta through the Scheme of arrangements sanctioned by the High Court of Zambia on June 28, 2024. An Injection of US\$ 250 million was made towards scheme or arrangement towards supplier payments. Furthermore, \$50m funding has been injected in the business in March 2025. Interest will be payable monthly at an Interest rate of 7% Margin plus 3 months SOFR Rate

The Group and Company recognizes all its Long term Borrowings at their Fair value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The total loan as at 31 March 2025 was US\$ 685.2 million (31 March 2024: US\$ 359.0 million). The accrued interest on the loan was US\$ 181.2 million (31 March 2024: US\$ 127.2 million).

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

31 Related party transactions (continued)

b) Loans due to related parties (continued)

(ii) ZCCM-IH

The Company obtained an additional loan in June 2019 of US\$ 10 million with a tenure of 1 year at interest year of 8%. The Principle amount outstanding as on 31 March 2025 was US\$ 0.5 million (31 March 2024: US\$ 0.5 million). In February 2024, ZCCM IH in its capacity as guarantor made a payment to Zania Bank towards an encashed LC facility of US\$ 10 million. Interest on the US\$ loan to ZCCM IH will accrue monthly interest at the rate of 8%.

The total Fair Value of the loan as at 31 March 2025 was US\$ 2.5 million (31 March 2024: US\$ 2.5 million).

(iii) Ministry of Finance (GRZ Loan)

During the FY2022, the Company under the former Provisional Liquidator - Mr Milingo Lungu obtained a loan from the Ministry of Finance (Government of the Republic of Zambia (GRZ)) of ZMW 1 billion/equivalent US\$ 44.6 million. The loan was received in the Company's First National Bank (FNB) Zambian Kwacha account in two tranches of ZMW 750 million/US\$ 33.5 million and ZMW 250 million/US\$ 11.1 million on 1 May 2022 and 1 June 2022 respectively. The total Fair Value of the loan as at 31 March 2025 was US\$ 10.5 million (31 March 2024: US\$ 10.5 million)

c) Compensation of key management personnel

The remuneration of directors during the year was as follows:

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ million		US\$ million	
Short-term benefits	0.1	0.0	0.1	0.0
32 Litigation				
	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$ million		US\$ million	
Employee and ex-Employees	2.5	1.9	2.5	1.9
Suppliers and Contractors	96.6	13.8	96.6	13.8
Others	0.4	-	-	-
	99.6	15.7	99.1	15.7

The Group is a defendant in several cases which arise from normal day to day operations. The Board of Directors believes that the Group has strong grounds for success in a majority of the cases and is confident that they should get a ruling in their favor and none of the cases individually or in aggregate would have significant impact on the Group's operations.

The Board of Directors is satisfied that the Group has adequate insurance programmes and, where required in terms of IFRS for claims that are probable, provisions are in place to meet claims that may succeed. Management has carried out an assessment of all the cases outstanding as at 31 March 2024 and where considered necessary based on the merits of each case, a provision has been raised.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2025

33 Subsequent

On 21st May 2024, Kumbele made an application to the High Court to have the Order of injunction granted to KCM on 29th October 2020 which stopped Kumbele from accessing the area be varied or discharged.

In its application, Kumbele exhibited before court the letter written by the former Provisional Liquidator addressed to Zambia Environmental Management Agency dated 28th December 2020 and the Bank Transfer copy of ZMW20,000,000.00 (twenty Million kwacha). When the matter came up on 04th June 2024 hearing of the application, the parties appeared and made submissions.

On the 11th June 2024, the High Court delivered its Ruling discharging the Order of Injunction earlier granted to KCM agreeing with Kumbele's application. KCM filed an appeal against the judgement admission to the Court of Appeal.

KCM further raised issues on points of law before the main matter could be heard.

KCM has further made an application in the High Court to stay the proceedings pending hearing and determination of the appeals before the Court of Appeal.

Concerning the appeals before the Court of Appeal, the parties have executed a consent order consolidating all three appeals by KCM into one appeal which is yet to be heard by the Court of Appeal.

There were no other known material events that occurred after the statement of financial position that require adjustment of, or disclosure in, the financial statements.

34 Liability Discounting

As part of the financial reporting, the Group and Company has recognized a provision for future obligations amounting to US\$ 32,8 million as of 31 March 2025 (31 March 2024: US\$ 3,169 million). The provision has been discounted to present value using a discount rate of 14%, which reflects the time value of money and the risk associated with the liability.

The provision relates to all long term liabilities including, Inter-Company Liabilities, GRZ Borrowings and Others - (Only Scheme Related) which is expected to be settled over a period of 15 years. Management will continue to monitor the forecasted future cashflows as well as the changes in the Discount rate.

Summary

Particulars	UOM	Gross Value US\$ Million	Discount Value US\$ Million	Present Value US\$ Million
Inter-Company Liabilities	US\$	2,442	1,557	
Other Liabilities	US\$	2,212	1,645	
Gross Total	US\$	4,654	3,202	1,4

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