Skorpion Zinc (Proprietary) Limited
(Registration number 97/146)

Annual Financial Statements
for the year ended 31 March 2025

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Acquisition of investments in subsidiaries and other companies associated with the exploration, development, treatment, production and sale of zinc and associated mineral concentrates.
Directors	P Singla C Griffith
Registered office	24 Orban Street Klein Windhoek Windhoek
Postal address	P O Box 30 Klein Windhoek Windhoek Namibia
Holding company	THL Zinc Namibia Holdings (Proprietary) Limited incorporated in Namibia
Ultimate holding company	Vedanta Resources Plc incorporated in United Kingdom
Auditor	Ernst & Young Namibia
Company registration number	97/146
Preparer	The annual financial statements were internally compiled under the supervision of: Marcel Naude CA(SA) Deputy CFO
Secretary	Leone Wolhuter 3a Southport Building Southern Industrial Hosea Kutako Drive Windhoek Namibia

Contents

Directors' Responsibilities and Approval

The directors are required in terms of the Namibian Companies Act 28 of 2004 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company’s cash flow forecast for the 12 month period after the date of approval and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 4 and 5.

The annual financial statements set out on pages 6 to 24, which have been prepared on the going concern basis, were approved by the board of directors on 6 June 2025 and were signed on their behalf by:

Approval of annual financial statements

Signed by:Christopher Ivan Griffith
Signed at:2025-06-06 09:46:33 +02:00
Reason:Witnessing Christopher Ivan Griff

Signed by:Pushpender Pushpender
Signed at:2025-06-06 12:36:22 +02:00
Reason:Witnessing Pushpender Pushpe

C Griffith

P Singla

EY
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF SKORPION ZINC (PROPRIETARY) LIMITED

Opinion

We have audited the annual financial statements of Skorpion Zinc (Proprietary) Limited ('the Company') set out on pages 6 to 24, which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of material accounting policy information and the directors' report.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2025 in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia.

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 Annual Financial Statements"* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards*) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the general information, the contents and the directors' responsibilities and approval, which we obtained prior to the date of this auditor's report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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

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Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 annual financial statements.

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 misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Ernst & Young.

Ernst & Young Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Floris Marx
Partner

Windhoek
Namibia

6 June 2025

Directors' report

The directors have pleasure in submitting their report on the annual financial statements of Skorpion Zinc (Proprietary) Limited for the year ended 31 March 2025.

1. Nature of business

Skorpion Zinc (Proprietary) Limited was incorporated in Namibia with interests in the mining industry.

There have been no material changes to the nature of the company's business from the prior year.

2. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board of directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board of directors may pass on the payment of dividends.

The board of directors did not recommend the approval of a dividend (2024: N$ 0).

3. Directorate

The directors in office during the year and at the date of this report are as follows:

Directors	Office	Designation	Nationality	Changes
P Singla	Chief Financial Officer	Executive	Indian	
P Van Greunen	Chief Operating Officer	Executive	South African	Resigned 30 April 2024
C Griffith	Chief Executive Officer	Executive	South African	

4. Holding company

The company's holding company is THL Zinc Namibia Holdings (Proprietary) Limited which holds 100% (2024: 100%) of the company's equity. THL Zinc Namibia Holdings (Proprietary) Limited is incorporated in Namibia.

5. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

7. Terms of appointment of the auditor

Ernst & Young Namibia were appointed as the company's auditors for the year, in accordance with Section 278(2) of the Companies Act of Namibia.

Statement of Financial Position as at 31 March 2025

	Note	2025 N$ '000	2024 N$ '000
Assets			
Non-Current Assets			
Investments in subsidiaries	3	5,108	5,108
Investments in joint ventures	4	7,353	4,180
		12,461	**9,288**
Current Assets			
Loans to group companies	5	996,903	996,402
Current tax receivable	6	12	12
Cash and cash equivalents	7	10	511
		996,925	**996,925**
Total Assets		**1,009,386**	**1,006,213**
Equity and Liabilities			
Equity			
Share capital	8	5,108	5,108
Retained income		21,977	18,806
		27,085	**23,914**
Liabilities			
Current Liabilities			
Trade and other payables	9	3	1
Loans from group companies	10	982,298	982,298
		982,301	**982,299**
Total Equity and Liabilities		**1,009,386**	**1,006,213**

Statement of Profit or Loss and Other Comprehensive Income

	Note	2025 N$ '000	2024 N$ '000
Other operating expenses		(4)	(7)
Operating loss		**(4)**	**(7)**
Investment income	11	3	30
Share of profit in JV	4	3,172	4,180
Profit before taxation		**3,171**	**4,203**
Taxation		-	-
Profit for the year		**3,171**	**4,203**
Other comprehensive income		-	-
Total comprehensive income for the year		**3,171**	**4,203**

Statement of Changes in Equity

	Share capital N$ '000	Share premium N$ '000	Total share capital N$ '000	Retained income N$ '000	Total equity N$ '000
Balance at 1 April 2023	**1**	**5,107**	**5,108**	**14,603**	**19,711**
Profit for the year	-	-	-	4,203	4,203
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**4,203**	**4,203**
Balance at 31 March 2024	**1**	**5,107**	**5,108**	**18,806**	**23,914**
Profit for the year	-	-	-	3,171	3,171
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**3,171**	**3,171**
Balance at 31 March 2025	**1**	**5,107**	**5,108**	**21,977**	**27,085**
Note	8	8	8		

Statement of Cash Flows

	Note	2025 N$ '000	2024 N$ '000
Cash flows from operating activities			
Cash used in operations	12	(3)	(4)
Interest income	11	3	30
Net cash from operating activities		**-**	**26**
Cash flows from investing activities			
Loans to group companies repaid	14	(501)	-
Total cash movement for the year		**(501)**	**26**
Cash and cash equivalents at the beginning of the year		511	485
Cash and cash equivalents at the end of the year	7	**10**	**511**

Accounting Policies

1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these annual financial statements.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these annual financial statements and the Namibian Companies Act 28 of 2004.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Namibia Dollars, which is the company's functional currency.

These accounting policies are consistent with the previous year.

1.2 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:
- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination.

Financial assets which are debt instruments:
- Amortised cost. This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows; or
- Fair value through other comprehensive income. This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments; or
- Mandatorily at fair value through profit or loss. This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income; or
- Designated at fair value through profit or loss. This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch.

Derivatives which are not part of a hedging relationship:
- Mandatorily at fair value through profit or loss.

Financial liabilities:
- Amortised cost; or
- Mandatorily at fair value through profit or loss. This applies to contingent consideration in a business combination or to liabilities which are held for trading; or
- Designated at fair value through profit or loss. This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss.

Note 15 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

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

Accounting Policies

1.2 Financial instruments (continued)

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Loans receivable at amortised cost

Classification

Loans to group companies (note 5), are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The company recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The company measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

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

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the company considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the company compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the company has reasonable and supportable information that demonstrates otherwise.

Accounting Policies

1.2 Financial instruments (continued)

By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

The company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the company consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the company considers that default has occurred when a loan instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The company writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

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, and vice versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance.

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of a loan receivable is included in profit or loss in derecognition gains (losses) on financial assets at amortised cost.

Accounting Policies

1.2 Financial instruments (continued)

Borrowings and loans from related parties

Classification

Loans from group companies (note 10), are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs.

Borrowings expose the company to liquidity risk and interest rate risk. Refer to (note 15) for details of risk exposure and management thereof.

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables

Classification

Trade and other payables (note 9), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to (note 15) for details of risk exposure and management thereof.

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Accounting Policies

1.2 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Derecognition

Financial assets

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

Financial liabilities

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

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income; or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.4 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

Accounting Policies

1.4 Impairment of assets (continued)

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.5 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as "share capital" in equity. Any amounts received from the issue of shares in excess of par value is classified as "share premium" in equity. Dividends are recognised as a liability in the company in which they are declared.

1.6 Revenue from contracts with customers

The company recognises revenue from the following major sources:

Revenue is measured based on the consideration specified 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.

Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Supplier finance arrangements - amendments to IAS 7 and IFRS 7	1 January 2024	There was no material impact
• Non-current liabilities with covenants - amendments to IAS 1	1 January 2024	There was no material impact
• Lease liability in a sale and leaseback - amendments to IFRS 16	1 January 2024	There was no material impact

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 April 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Sale or Contribution of Assets between an Investor and it's Associate or Joint Venture - amendments to IFRS 10 and IAS 28	Postponed indefinitely	Unlikely there will be a material impact
• Subsidiaries without Public Accountability: Disclosures - amendments to IFRS 19	1 January 2027	Unlikely there will be a material impact
• Presentation and Disclosure in Financial Statements - amendments to IFRS 18	1 January 2027	Unlikely there will be a material impact
• First-time Adoption of International Financial Reporting Standards - amendments to IFRS 1	1 January 2026	Unlikely there will be a material impact
• Financial Instruments: Disclosures - amendments to IFRS 7	1 January 2026	Unlikely there will be a material impact
• Financial Instruments - amendments to IFRS 9	1 January 2026	Unlikely there will be a material impact
• Consolidated Financial Statements - amendments to IFRS 10	1 January 2026	Unlikely there will be a material impact
• Statement of Cash flows - amendments to IAS 7	1 January 2026	Unlikely there will be a material impact
• Amendments to the Classification and Measurement of Financial Instruments - amendments to IFRS 9 and IFRS 7	1 January 2026	Unlikely there will be a material impact
• Lack of exchangeability - amendments to IAS 21	1 January 2025	Unlikely there will be a material impact

Notes to the Annual Financial Statements

	2025 N$ '000	2024 N$ '000

3. Investments in subsidiaries

Name of company	% holding 2025	% holding 2024	Carrying amount 2025	Carrying amount 2024
Skorpion Mining Company (Proprietary) Limited	100 %	100 %	2,554	2,554
Namzinc (Proprietary) Limited	100 %	100 %	2,554	2,554
Amica Guesthouse (Proprietary) Limited	100 %	100 %	-	-
			5,108	5,108

Investment in Amica Guesthouse (Proprietary) Limited is N$100.

4. Joint arrangements

Joint ventures

The following table lists all of the joint ventures in the company:

Name of company	% holding 2025	% holding 2024	Carrying amount 2025	Carrying amount 2024
50 Ordinary shares of N$1 each in RoshSkor Township (Proprietary) Limited	50 %	50 %	7,353	4,180
138 Ordinary shares of N$1 each in Rosh Pinah Health Care (Proprietary) Limited	69 %	69 %	-	-
			7,353	4,180

5. Loans to group companies

Fellow subsidiaries

	2025	2024
Skorpion Mining Company (Proprietary) Limited	400,386	400,386
Namzinc (Proprietary) Limited	586,831	586,075
RoshSkor Township (Proprietary) Limited	9,686	9,941
	996,903	**996,402**

Loans are unsecured, interest free, due and payable on demand.

Split between non-current and current portions

	2025	2024
Non-current assets	-	-
Current assets	996,903	996,402
	996,903	**996,402**

Notes to the Annual Financial Statements

	2025 N$ '000	2024 N$ '000

5. Loans to group companies (continued)

Exposure to credit risk

Loans receivable inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

Loans receivable are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for group loans receivable is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

In determining the amount of expected credit losses, the company has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The company does not hold collateral or other credit enhancements against group loans receivable.

Credit loss allowances

An impairment analysis is performed at each reporting date to measure expected credit losses. There were no expected credit losses.

6. Tax paid

	2025	2024
Balance at beginning of the year	12	12
Balance at end of the year	(12)	(12)
	-	-

7. Cash and cash equivalents

Cash and cash equivalents consist of:

	2025	2024
Bank balances	10	511

8. Share capital

	2025	2024
Authorised		
4 000 Ordinary shares of $N1 each	4,000	4,000
Issued		
Ordinary	1	1
Share premium	5,107	5,107
	5,108	**5,108**

9. Trade and other payables

	2025	2024
Financial instruments:		
Trade payables	3	1

Notes to the Annual Financial Statements

		2025 N$ '000	2024 N$ '000

10. Loans from group companies

Other Group Companies	Basis of accounting		
THL Zinc Namibia Holdings (Proprietary) Limited	Amortised cost	982,298	982,298

All loans are unsecured, interest free, due and payable on demand.

Split between non-current and current portions

Current liabilities	982,298	982,298

11. Investment income

Interest income		
Investments in financial assets:		
Bank and other cash	3	30

12. Cash used in operations

Profit before taxation	3,171	4,203
Adjustments for:		
Share of profit in associate / JV	(3,173)	(4,180)
Interest income	(3)	(30)
Changes in working capital:		
Increase in trade and other payables	2	3
	(3)	**(4)**

13. Changes in loans from group companies

Opening balance	(982,298)	(982,298)
Cash flows		
Received from	-	-
Paid to	-	-
Non-cash movements		
Interest incurred	-	-
Closing balance	**(982,298)**	**(982,298)**

14. Changes in loans to group companies

Opening balance	996,402	996,403
Cash flows		
Advanced to	501	-
Received from	-	-
Other non-cash movement	-	(1)
Closing balance	**996,903**	**996,402**

Notes to the Annual Financial Statements

15. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2025

	Note	Amortised cost N$'000	Total N$'000	Fair value N$'000
Loans to group companies	5	996,903	996,903	996,903
Cash and cash equivalents	7	10	10	10
		996,913	**996,913**	**996,913**

2024

	Note	Amortised cost N$'000	Total N$'000	Fair value N$'000
Loans to group companies	5	996,402	996,402	996,402
Cash and cash equivalents	7	511	511	511
		996,913	**996,913**	**996,913**

Categories of financial liabilities

2025

	Note	Amortised cost N$'000	Total N$'000	Fair value N$'000
Trade and other payables	9	3	3	3
Loans from group companies	10	982,298	982,298	982,298
		982,301	**982,301**	**982,301**

2024

	Note	Amortised cost N$'000	Total N$'000	Fair value N$'000
Trade and other payables	9	1	1	1
Loans from group companies	10	982,298	982,298	982,298
		982,299	**982,299**	**982,299**

Notes to the Annual Financial Statements

		2025 N$ '000	2024 N$ '000

15. Financial instruments and risk management (continued)

Capital risk management

The company manages its capital to ensure it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The company's overall strategy remains unchanged from 2021.

The capital structure of the company consists of a holding company loan, cash and cash equivalents and equity attributable to the equity holder, comprising issued capital and retained earnings.

Loans from group companies	10	982,298	982,298
Trade and other payables	9	3	1
Total borrowings		**982,301**	**982,299**
Cash and cash equivalents	7	(10)	(511)
Net borrowings		**982,291**	**981,788**
Equity		27,085	23,914
Gearing ratio		3,627 %	4,105 %

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (foreign currency risk, interest rate risk).

Credit risk

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

The capital structure of the company consists of a holding company loan, cash and cash equivalents and equity attributable to the equity holder, comprising issued capital and retained earnings.

The maximum exposure to credit risk is presented in the table below:

		2025			2024		
		Gross carrying amount N$ '000	**Credit loss allowance N$ '000**	**Amortised cost / fair value N$ '000**	**Gross carrying amount N$ '000**	**Credit loss allowance N$ '000**	**Amortised cost / fair value N$ '000**
Loans to group companies	5	996,903	-	996,903	996,402	-	996,402
Cash and cash equivalents	7	10	-	10	511	-	511
		996,913	**-**	**996,913**	**996,913**	**-**	**996,913**

15. Financial instruments and risk management (continued)

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by ensuring that it has adequate cash resources, banking facilities and borrowing capacity to meet its obligation. The company has reported positive cash flows for the current period and projections indicated this trend to be sustainable.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2025

		Less than 1 year N$'000	Total N$'000	Carrying amount N$'000
Current liabilities				
Trade and other payables	9	3	3	3
Loans from group companies	10	982,298	982,298	982,298

2024

		Less than 1 year N$'000	Total N$'000	Carrying amount N$'000
Current liabilities				
Trade and other payables	9	1	1	1
Loans from group companies	10	982,298	982,298	982,298

The maturity profile of contractual cash flows of derivative financial liabilities are as follows:

Foreign currency risk

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

Borrowings are mostly obtained from the holding company and interest rates are managed in accordance with the policies set down by Vedanta Resources Ltd group treasury function. Currently no interest is charged on the holding company loans.

Notes to the Annual Financial Statements

15. Financial instruments and risk management (continued)

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

	2025 N$'000	2025 N$'000	2024 N$'000	2024 N$'000
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
Interest rates 10% (2024: 10%)	4	(4)	70	(70)

16. Events after the reporting period

The directors of the company are not aware of any fact or circumstances which occurred between the date of the annual financial statements and the date of this report which might influence an assessment of the company's state of affairs.

17. Guarantees

The company has the following guarantees:

	2025 N$ '000	2024 N$ '000
Nampower (Proprietary) Limited	91	91

18. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.