

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION



Karo Mining Holdings plc, incorporated in the Republic of Cyprus on 23 February 2018 under company registration Number HE380340
"the Issuer"



Tharisa plc, incorporated in the Republic of Cyprus on 20 February 2008 under registration number HE223412
"the Guarantor"

CIRCULAR TO BONDHOLDERS

Relating to, and seeking approval for the amendment to, and extension of, the Karo Mining Holdings plc bond listed on the Victoria Falls Stock Exchange

and incorporating

NOTICE OF AN EXTRAORDINARY GENERAL MEETING

Notice of an Extraordinary General Meeting ("EGM") of the Bondholders of the Issuer is to be held virtually by electronic means on Friday, 07 November 2025 at 10:00 hours Central African Time ("CAT"). The notice was published on Thursday, 16 October 2025 in accordance with the Listings Requirements of the Victoria Falls Stock Exchange ("VFEX") and the Companies and Other Business Entities Act (Chapter 24:31) of the Republic of Zimbabwe, as set out at the end of this circular. Bondholders are asked to complete and return the attached form of proxy in accordance with the instructions printed thereon by 16:00 hours, on Wednesday, 05 November 2025

Arrangers



Registrars, Calculation & Payment Agents (Zimbabwe)



Legal Advisors (Zimbabwe)



Debt Sponsors



Reporting Accountants



Trustee (Cyprus)



Registrars, Calculation & Payment Agents (Cyprus)



Legal Advisors (Cyprus)



Action Required:

- Read this circular in its entirety. If you are in doubt as to the action you should take, you should immediately seek advice from an independent stockbroker, bank manager, legal practitioner, accountant, or any other professional advisors of your choice;
- Attend and vote at the EGM to be held on Friday, 07 November 2025; and
- Bondholders who are unable to attend the EGM, but who wish to be represented thereat, should complete and sign the Proxy Form included with this circular and ensure it is returned in accordance with the instructions printed thereon, as soon as possible, but not later than 1600 hours on Wednesday, 05 November 2025

Date of issue of this Circular: 16 October 2025

FORWARD LOOKING STATEMENT

Some statements in this circular are forward-looking, not historical. They reflect the Issuer and its subsidiaries' current expectations, intentions, plans, and beliefs, and are often signaled by words like "anticipate," "believe," "expect," "plan," "target," "intend," "estimate," "could," "should," "may," or "will" (and negatives). Examples include production guidance, projected production rates, and timelines for exploration, drilling, and development. These statements rely on assumptions that may change; actual results may differ materially due to known and unknown risks and uncertainties. Bondholders should not place undue reliance on them. The Issuer undertakes no obligation to update forward-looking information except as required by law.

DEFINITIONS

Unless otherwise stated, the definitions and interpretations set out in this Circular shall apply throughout the Circular and to all appendices hereto.

1 OVERVIEW OF THE PROPOSED AMENDMENTS

The Karo Project ("**the Project**") is a long-life mining asset that is being developed in phases to extract platinum group metals ("**PGMs**") and base metals (nickel, copper and cobalt). It is located in the Mashonaland West province of the Republic of Zimbabwe and lies along the mineral rich Great Dyke bounded by Zimplats Holdings Limited Ngezi operations in the South and Global Platinum Resources in the North. It is approximately 80 km southwest of Harare and 35 km southeast of Chegutu.

The Issuer is seeking to extend the tenor of the Issuer's bond ("**the Bond**") currently listed on the VFEX by an additional three years to 1 December 2028 thereby aligning with the Project's extended construction period. The Bond is currently due for redemption on 1 December 2025.

In addition, the Issuer proposes increasing the interest rate on the issued notes ("**the Notes**") to 11.0% per annum from 9.5% per annum. This increase in coupon compensates bondholders for the longer tenor and caters for the increased cost of funding in the Republic of Zimbabwe since the bond was issued in 2022. Furthermore, the Issuer proposes amending the 'make whole' provisions in the event of an early redemption such that, in the event of an early redemption, the Issuer will repay the full principal plus only the interest accrued up to that date, but not any further interest that would have been earned if the Notes had run to maturity, as currently provided in the terms of the Notes.

Subject to the approval of the bondholders at the EGM, the Issuer will amend the placing agreement signed by the Issuer in relation to the issue of the Notes, setting out such additional and/or other terms and conditions as are applicable to the Bond ("**the Placing Agreement**") and the agreement entered into between the Issuer, Tharisa plc and the Christos Patsalides Corporate Management ("**the Trustee**") on 14 September 2022 whereby the Trustee agreed to act as trustee under the Bond offering ("**the Trust Agreement**") to reflect the changes to the Bond terms. Changes made to the Placing Agreement, Trust Agreement or terms of the Notes ("**Program Documents**") are reflected in the addendums that are part of the documents listed for inspection as stated in Paragraph 8 of this circular.

The Issuer is not seeking to issue additional bonds so will not raise additional funding through these bond amendments.

The Guarantor has agreed to extend the guarantee for the extended period till maturity, however, there will be a guarantee fee of 2.6% per annum with effect from 1 December 2025 until 1 December 2028 if the Bond extension is approved by Bondholders.

Arxo Finance plc, an associate of the Issuer, and holding US\$10.0 million of the Bond issue (27% of the Bond issue), has undertaken to vote in favour of the resolutions to be proposed at the EGM.

Approval of this Circular was granted by the VFEX Listings Committee on Tuesday, 14 October 2025.

1.1 Details of the proposed changes to the Bond terms

	Current Bond terms	Proposed changes to the Bond terms
Maturity Date	01 December 2025	01 December 2028
Interest Rate	9.5% paid semi-annually	11.0% paid semi-annually
Redemption at the option of the Issuer	Notes shall be redeemable prior to the Maturity Date at the option of the Issuer. In such case, upon the Issuer giving to the Note Holder notice of redemption (such notice being irrevocable) the Issuer will redeem in whole (but not in part) the Note(s) specified in such notice, together with interest accrued and unpaid thereon, if any, to the date fixed for redemption, should such Notes not have been subject to early redemption (obligation to make whole).	Notes shall be redeemable prior to the Maturity Date at the option of the Issuer. In such case, upon the Issuer giving to the Bondholder notice of redemption (such notice being irrevocable) the Issuer will redeem in whole (but not in part) the Note(s) specified in such notice, together with interest accrued and unpaid thereon, if any, to the date fixed for redemption.
Consideration for the Guarantor	Given the commercial benefits of the Bond, there were no fees on the Guarantee payable by the Issuer	Conditional upon the passing of the extension of the maturity of the Bond from 1 December 2025 to 1 December 2028, the terms and conditions of the Bond be and are hereby amended to provide that, with effect from 1 December 2025 until 1 December 2028, the Issuer shall pay to the Guarantor a guarantee fee of 2.6% (two point six percent) per annum on the outstanding balance of the Bond plus simple interest, such interest to accrue from 1st December 2025 until 1st December 2028 or until Early Redemption, where applicable.

1.2 Conditions precedent

The implementation is subject to Bondholders holding 75% of the issued value approving the extension and the proposed amendments at an Extraordinary General Meeting to be held on Friday, 07 November 2025 and as per the EGM notice in Appendix 3 of this Circular.

1.3 Timetable of Bond extension

Distribution of the Circular	Thursday, 16 October 2025
Bondholders EGM	Friday, 07 November 2025
Publication of EGM results	Tuesday, 11 November 2025

1.4 Guarantee

The Guarantee Agreement was entered into on 16 September 2022 and between the Guarantor and the Trustee. A guarantee fee has been introduced of an annual fee of 2.6% on the outstanding balance of the Bond plus simple interest, such interest to accrue from 1st December 2025 until 1st December 2028 or until Early Redemption, where applicable. This is however conditional on the Bondholders approving the extension of the Bond.

1.5 Trustee Arrangements

The Issuer, the Guarantor, and the Trustee entered into a Trust Agreement dated 16 September 2022, which was amended by an addendum dated 28 November 2022 and by a second amendment to provide for the extension of the Bond. The second amendment is conditional upon Bondholders' approval of the EGM resolutions, requiring the affirmative vote of Bondholders representing at least 75% in value.

1.6 Prescribed Asset Status

The Prescribed Asset Status of the Bond has been extended by the Insurance and Pensions Commission by an additional year.

1.7 Expenses of the Bond Extension

The cost of extending the Bond will be less than one hundred basis points (1%) of the principal amount. These costs will be borne by the Issuer.

2 PGM PRICING DYNAMICS AND INVESTMENT TIMING

Concentration of supply in the Republic of South Africa and the Russian Federation heightens price volatility and supply risk. Notwithstanding persistent structural deficits, platinum and other PGMs continue to trade below historical norms. Platinum in particular continues to trade at a significant discount to gold, despite superior industrial utility, strategic classification and failing to reflect the underlying market tightness. Market indicators such as elevated lease rates, narrowing exchange for physical spreads, and large-scale stock withdrawals from exchanges suggest that physical constraints are not fully priced in.

These factors together create a bullish long-term outlook for PGMs. PGM prices have recently reflected a recovery which is supported by analysts' outlooks. Sieberana's 2025 price outlook (which is determined based on a fundamental analysis of forecast deficits and stock depletion) forecasts steep price ramps by the 2030s for platinum, palladium and rhodium. For example, platinum is forecast to climb sharply once South African supply begins to slip by 2030. This is consistent with other market intelligence: JP Morgan analysts have suggested that platinum could reach c.US\$2 000/oz in the mid-2020s, and higher prices are plausible by 2040 under sustained deficits.

3 OVERVIEW OF THE ISSUER

The Issuer was incorporated in the Republic of Cyprus on 23 February 2018 under company registration number HE380340. The Issuer is 78% owned by the Guarantor and 22% by Medway Developments Limited. The Issuer is an intermediate investment holding company holding 100% of the issued ordinary share capital of Karo Zimbabwe Holdings (Private) Limited, which in turn holds 85% of the issued ordinary share capital of Karo Platinum (Private) Limited ("**Karo Platinum**"). Generation Minerals (Private) Limited, a Republic of Zimbabwe special purpose vehicle, holds a 15% free funded carry shareholding in Karo Platinum.

3.1 History and overview of the Project

The Project is a long-life mining asset that is being developed in phases to extract the PGM and base metal resources. The Project is only one of two new and significant PGM projects globally that are advancing in a market that is now recognising the impact of metal deficits as supply from historic mines declines and demand remains resilient.

Construction of the Project commenced in December 2022 and was funded by an equity commitment of US\$160 million from the Guarantor and proceeds from the Bond. Development was curtailed in 2024 due, in part, to the low commodity pricing environment.

By July 2025, US\$178m had been spent - significantly advancing and derisking the project's execution. Key achievements to date include:

- Completion of design and engineering work and earthworks
- Civil construction 80% complete

- 90% of long-lead mechanical and electrical items procured and in storage
- Bulk water and electrical power have been secured
- A PGM pilot plant was commissioned to provide data for the commercial PGM concentrator plant
- Further optimisation of the mine plan based on trial mining, updated exploration drilling and further metallurgical test work
- Procurement 70% complete
- Fabrication works 37% complete

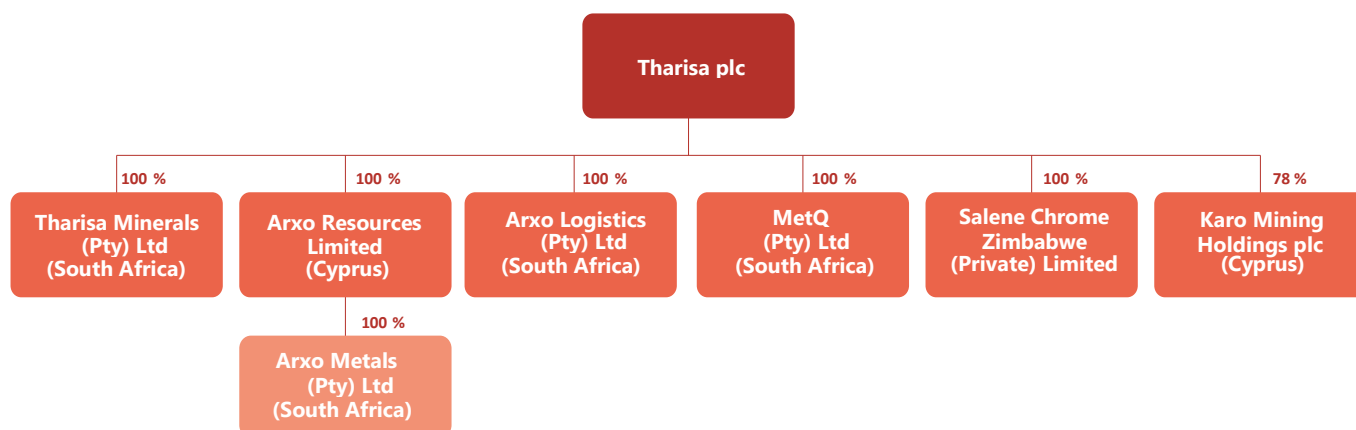
The updated mine development entails a peak spend of US\$546 million with first ore in mill 15 months after financial close. The mine will produce approximately 220 kozpa of PGMs at steady state for the 10-year first phase of the Project from open pit mining. Thereafter, underground mining will continue for the remaining life of mine, which is projected to exceed 50 years.

4 OVERVIEW OF The GUARANTOR

The Guarantor is an integrated resource group engaged in exploration, mining, processing, and the beneficiation, marketing, sales and logistics of PGMs and chrome concentrates. The Guarantor is listed on the JSE and LSE. Its largest operating asset is the Tharisa Mine – a PGM and chrome mine in the Northwest Province of the Republic of South Africa.

4.1 Group and operational structure

The operational subsidiaries of the Guarantor are depicted below.



4.2 Tharisa Minerals Proprietary Limited

Tharisa Minerals Proprietary Limited (“**Tharisa Minerals**”) is a wholly owned subsidiary of the Guarantor. Its core asset is the Tharisa Mine, which is situated near Rustenburg, in the Northwest Province of the Republic of South Africa, on the Western Limb of the Bushveld Complex. For the last financial year (2024), Tharisa Minerals produced 145.1 koz of PGMs and 1 702.6 kt of chrome concentrates. The Bushveld Complex is home to more than 70% of the world’s platinum and chrome resources. The Tharisa Mine is uniquely positioned as the world’s only co-producer of both PGMs and chrome concentrates from its open pit mine. Tharisa Mine has a remaining open pit life of mine of 10 years and is currently transitioning to underground mining thereby extending the life of the mine by in excess of 50 years.

5 SHARE CAPITAL

The Issuer was converted from a private company to a public company on 9 September 2022. As at the date of this Circular, the share capital of the Issuer is as follows:

Authorised:

69 000 ordinary shares of US\$1 each

1 000 redeemable preference shares of US\$1 each

Issued:

60 958 ordinary shares of US\$1 each

5 redeemable preference shares of US\$1 each

Controlling Shareholder:

The Issuer is 78% owned by the Guarantor.

6 FINANCIAL INFORMATION

6.1 The Guarantor financial information

The Guarantor applies the principles of the King IV Report on Corporate Governance for South Africa. The Guarantor further adheres to the Johannesburg Stock Exchange Listings Requirements, the London Stock Exchange Listing Rules and Disclosure and Transparency Rules applicable to the Equity Shares (Transition) Category. The auditor of the Guarantor is BDO Limited. The historical audited consolidated financial statements for the three financial years ended 30 September 2024 and the audited financials for the half year ended 31 March 2025 can be found on the Guarantor's website: www.tharisa.com.

6.2 The Issuer financial information

The Issuer's full year financial statements have been prepared in accordance with IFRS as adopted by the EU and the requirements of the Cyprus Companies Law. The financial statements for the three years ended 30 September 2024 and reviewed interim financials for the six months ended 31 March 2025 are set out in full in Appendix 1. The Issuer is audited by BDO Limited. BDO has prepared a Report of the Independent Auditors & Reporting Accountants on the Issuer's Historic Financials for the three years ended 30 September 2024 and interim financial statements for the six months ended 31 March 2025 which is set out in Appendix 2 of this Circular.

7 CORPORATE GOVERNANCE

7.1 Board

The primary responsibility of the Board is to discharge its fiduciary duty to the shareholders and the Issuer. The Board is the highest policy organ of the Issuer and directs strategy. The Board meets as often as is required during this development phase, but at least four times per year to provide input and oversight to the strategic planning process and to monitor operational performance. The full names, positions of and number of the Issuer shares beneficially owned, controlled, or directed by the directors are set out below:

Full Name	Address	Position	% of KMH shares beneficially owned, controlled or directed
Phoevos Pouroulis	Neophytou Nikolaidi & Kilkis, 17, S. Pittokopitis Building, 1 st Floor, Flat/Office 108-110, 8011 Paphos, Cyprus	Chairman	2.10%
Bernard Robert Pryor	Neophytou Nikolaidi & Kilkis, 17, S. Pittokopitis Building, 1 st Floor, Flat/Office 108-110, 8011 Paphos, Cyprus	Managing director	nil
Marnus Barnard	Neophytou Nikolaidi & Kilkis, 17, S. Pittokopitis Building, 1 st Floor, Flat/Office 108-110, 8011 Paphos, Cyprus	Finance director	nil
Josephat Zimba	5893 Zimre Park, Ruwa, Zimbabwe	Country manager	0.01%
Michael Gifford Jones	Neophytou Nikolaidi & Kilkis, 17, S. Pittokopitis Building, 1 st Floor, Flat/Office 108-110, 8011 Paphos, Cyprus	Non-executive director	0.16%
Adonis Pouroulis	19-21 Old Bond Street, London, W1S 4PX, United Kingdom	Non-executive director	30.97%
Gloria Zvaravanhu	3 Kingsrow Southgate Borrowdale Harare Zimbabwe	Independent Non-executive director	nil
Shawn Harold McCormick	20 Station Road, Gerrardscross, SL9 8EL, United Kingdom	Independent Non-executive director	nil

7.2 Directors' interests

Adonis Pouroulis and Michael Gifford Jones, respectively hold 212 Notes and 20 Notes, as at the date of this Circular. Additionally, Adonis Pouroulis holds 40.75% of the issued share capital of the Guarantor. Given that the Guarantor owns 76% of the issued share capital of the Issuer, this equates to an effective indirect shareholding of 30.97% in the Issuer attributable to Adonis Pouroulis. To the knowledge of the Issuer, the directors directly and/ or indirectly held no other beneficial interests in/with the Issuer other than as set out above.

7.3 Board committees

7.3.1 Audit Committees

The independent external auditors of the Issuer, Finance director, Managing director and Group internal auditors attend committee meetings by invitation. The committee meets with the internal and external auditors, without any executive directors being present. Both the internal and external auditors have unrestricted access to the chairman of the committee.

7.3.2 Remuneration Committee

The committee considers and approves the remuneration framework of non-executive level employees and the payment of bonuses, which are discretionary and based upon general economic variables, the performance of the Issuer and each individual's performance against personalised key performance indicators, in terms of the approved bonus structure.

7.3.3 Safety, Health, Environment and Community Committee

The Safety, Health, Environment and Community Committee develops and reviews the group's framework, policies and guidelines on safety, health, and environmental management, as well as community relations, in line with that of the Guarantor. It monitors key indicators on accidents and incidents, and considers developments in relevant safety, health, environmental and community practices and regulations.

8 DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

Bondholders may inspect this circular and the documents available as listed below between 08:00 and 16:00 from Thursday, 16 October 2025 to Friday, 07 November 2025 at the arrangers' office. The address is Block 3 Tunsgate Business Park, 30 Tunsgate Road, Mount Pleasant, Harare, Zimbabwe. The documents are also available at the Issuer's registered offices at Sofoklis Pittokopitis Business Centre, Offices 108-110, 17 Neophytou Nicolaidis and Kilis Streets, 8011 Paphos, Cyprus. Bondholders may request access to soft copies of the documents from the Bond arrangers by emailing advisory@ih-group.com.

- i. All amendments and/or supplements to this circular circulated by the Issuer from time to time
- ii. Certified extract of the Issuer Board resolution to undertake the extension and changes in key Bond features
- iii. Certified extract of the Guarantor Board resolution of intent to undertake the role of Guarantor for the extension, certified by the Group Company Secretary
- iv. Certified copy of the Trust Agreement
- v. Addendum to the Trust Agreement
- vi. The Placing Agreement
- vii. Addendum to the Placing Agreement
- viii. Certified copy of the Guarantee Agreement
- ix. Addendum to the Guarantee Agreement
- x. The advisors written consents
- xi. The Guarantor's audited consolidated financial statements for the three financial years ended 30 September 2024
- xii. The Guarantor's reviewed interim financial statements for the six months ended 31 March 2025
- xiii. the Issuer's audited financial statements for the three financial years ended 30 September 2024
- xiv. The reviewed interim financial statements for the six months ended 31 March 2025 for the Issuer

APPENDIX 1: KARO MINING HOLDINGS CONSOLIDATED COMPANY FINANCIAL STATEMENTS FOR THE THREE YEARS ENDED 30 SEPTEMBER 2024 AND SIX MONTHS ENDED 31 MARCH 2025

1. ABRIDGED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME OR LOSS

	As at 31 March 2025 Reviewed US\$	As at 30 September 2024 Audited US\$	As at 30 September 2023 Audited US\$	As at 30 September 2022 Audited US\$
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Other income	-	5 000	42 677	66 677
Net foreign exchange gains	(17 523)	7 711	11 078	96 835
Exploration and evaluation expenditure	-	(916)	(68 649)	-
Other operating expenses	(1 107 272)	(3 010 872)	(3 723 397)	(2 370 469)
Results from operating activities	(1 124 795)	(2 999 077)	(3 738 291)	(2 206 957)
Finance income	180 217	814 955	604 648	-
Fair value gain of financial liabilities	-	11 000	16 768 078	(10 909 009)
Finance costs	(440)	(6 331)	-	(138 881)
(Loss) / profit before tax	(945 019)	(2 179 453)	13 634 435	(13 254 847)
Tax	(142 963)	(321 674)	(106 462)	(30 888)
(Loss) / profit for the period	(1 087 981)	(2 501 127)	13 527 973	(13 285 735)
Other comprehensive income				
Total comprehensive (loss) / profit for the period	(1 087 981)	(2 501 127)	13 527 973	(13 285 735)
Total comprehensive income for the period				
Attributable to owners of the parent	(1 028 515)	(2 399 902)	13 592 456	(13 047 792)
Attributable to non-controlling interests	(59 466)	(101 225)	(64 483)	(237 943)
Basic and diluted earnings per share (\$)	(17.61)	(43.13)	273.36	(564.84)
Headline earnings per share (\$)	(17.61)	(43.13)	(63.86)	(92.59)

APPENDIX 1: KARO MINING HOLDINGS CONSOLIDATED COMPANY FINANCIAL STATEMENTS FOR THREE YEARS ENDED 30 SEPTEMBER 2024 AND SIX MONTHS ENDED 31 MARCH 2025 (CONTINUED)

2. ABRIDGED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 March 2025 Reviewed US\$	As at 30 September 2024 Audited US\$	As at 30 September 2023 Audited US\$	As at 30 September 2022 Audited US\$
Assets				
Non-current assets				
Property, plant and equipment	152 149 056	140 856 926	57 641 948	12 788 645
Deferred tax assets	15 428	21 012	27 893	6 476
Total non-current assets	152 164 484	140 877 938	57 669 841	12 795 121
Current assets				
Inventory	1 361 353	1 361 353	788 431	-
Trade and other receivables	2 713 363	2 034 108	16 792 784	803 076
Current taxation	-	-	4 232	-
Cash and cash equivalents	8 446 413	12 353 497	62 053 924	12 551 346
Total current assets	12 521 129	15 748 958	79 639 371	13 354 422
Total assets	164 685 614	156 626 896	137 309 212	26 149 543
Equity and liabilities				
Share capital and share premium	138 380 853	118 675 141	98 674 885	33 674 058
Accumulated losses	(17 124 822)	(16 096 307)	(13 696 405)	(27 288 861)
Equity attributable to equity holders of the parent	121 256 031	102 578 834	84 978 480	6 385 197
Non-controlling interests	(1 712 274)	(1 652 808)	(1 551 584)	(1 487 101)
Total equity	119 543 757	100 926 026	83 426 896	4 898 096
Non-current liabilities				
Borrowings	-	36 612 105	36 391 710	-
Provisions	64 966	64 966	59 995	-
Other financial liabilities	-	-	11 000	16 779 078
Total non-current liabilities	64 966	36 677 071	36 462 705	16 779 078
Current liabilities				
Borrowings	37 849 785	1 108 044	1 049 728	-
Income taxation	166 373	136 011	-	14 090
Trade and other payables	7 060 733	17 779 744	16 369 883	4 458 279
Total current liabilities	45 076 891	19 023 799	17 419 611	4 472 369
Total liabilities	45 141 857	55 700 870	53 882 316	21 251 447
Total equity and liabilities	164 685 614	156 626 896	137 309 212	26 149 543

APPENDIX 1: KARO MINING HOLDINGS CONSOLIDATED COMPANY FINANCIAL STATEMENTS FOR THREE YEARS ENDED 30 SEPTEMBER 2024 AND SIX MONTHS ENDED 31 MARCH 2025 (CONTINUED)

3. ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

	As at 31 March 2025 Reviewed US\$	As at 30 September 2024 Audited US\$	As at 30 September 2023 Audited US\$	As at 30 September 2022 Audited US\$
Cash flows from operating activities				
(Loss) / profit before tax	(945 019)	(2 179 453)	13 634 435	(13 254 847)
Adjustments for:				
Depreciation of property, plant and equipment	382 137	726 923	339 181	47 607
Net foreign exchange (gain)/loss	17 523	(7 711)	11 078	(96 835)
Interest income	(180 217)	(814 955)	(604 648)	-
Fair value gain of financial liabilities at fair value through profit or loss	-	(11 000)	(16 768 078)	10 909 009
Interest expense	440	6 331	-	138 881
	(725 136)	(2 279 865)	(3 388 032)	(2 256 185)
Changes in:				
Trade and other receivables	(679 255)	14 758 677	(15 989 708)	(445 458)
Inventory	-	(572 922)	(788 431)	2 257
Trade and other payables	(10 606 898)	1 679 253	11 960 522	2 758 034
Income tax paid	(107 017)	(174 550)	(146 201)	(26 013)
Net cash flows generated from operating activities	(12 118 307)	13 410 593	(8 351 850)	32 635
Cash flows from investing activities				
Interest received	179 776	808 624	604 648	-
Additions to property, plant and equipment	(9 924 723)	(80 442 812)	(42 552 714)	(12 629 137)
Net cash flows utilised in investing activities	(9 744 947)	(79 612 188)	(41 948 066)	(12 629 137)
Cash flows from financing activities				
Proceeds from shares issued	19 705 712	20 000 256	65 000 827	25 096 529
Proceeds from loans raised	-	-	36 391 710	-
Interest paid	(1 749 543)	(3 499 088)	(1 590 043)	(76)
Net cash flows from financing activities	17 956 169	16 501 168	99 802 494	25 096 453
Net (decrease) / increase in cash and cash equivalents	(3 907 084)	(49 700 427)	49 502 578	12 499 951
Cash and cash equivalents at the beginning of the year	12 353 497	62 053 924	12 551 346	53 979
Effect of exchange rate fluctuations on cash held	-	-	-	(2 584)
Cash and cash equivalents at the end of the year	8 446 413	12 353 497	62 053 924	12 551 346

APPENDIX 2: REPORT OF THE INDEPENDENT AUDITORS & REPORTING ACCOUNTANTS ON KARO MINING HOLDINGS HISTORICAL FINANCIAL INFORMATION



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INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF KARO MINING HOLDINGS PLC

TO THE BOARD OF DIRECTORS OF KARO MINING HOLDINGS PLC

Introduction

At your request and for the purposes of the Circular to Bondholders (the "**Circular**") of Karo Mining Holdings plc, to be dated 16 October 2025, we present our report on the historical Abridged Consolidated Statements of Comprehensive Income or Loss, Consolidated Statements of Financial Position and Consolidated Statements of Cash Flows (collectively referred to as "The historical financial information") as set out in Appendix 1 to the Circular, issued in compliance with the listing Requirements of the Victoria Falls Stock Exchange ("**VFEX**").

The Directors of Karo Mining Holdings plc are proposing to extend the Company's Bond tenor by three years and increase the interest rate on the existing Notes. This report is prepared in terms of the Listing Requirements of the Victoria Falls Stock Exchange.

In accordance with the VFEX Listing Requirements, we confirm that the engagement partner is a Certified Public Accountant and Registered Auditor in Cyprus, and, together with the firm, is independent of Karo Mining Holdings plc, the issuer of the Circular containing the historical financial information.

Scope of Review

Our work involved agreeing the historical abridged annual and interim consolidated financial statements prepared by management to the audited and reviewed consolidated financial statements. The underlying financial information from which the historical financial information was prepared is based on accounting policies that comply with International Financial Reporting Standards as adopted by the European Union.

We audited the annual historical financial information for the years ended 30 September 2022, 2023 and 2024.

We conducted our audit in accordance with International Standards on Auditing ("**ISAs**"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Group is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a sample basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

From our enquiries of Karo Mining Holding plc's management, we understand that:

- i. There are no material assets included in the financial information that are not owned by Karo Mining Holding plc Group
- ii. There are no material contingent liabilities and commitments relating to Karo Mining Holding plc Group, and
- iii. There have been no material subsequent events arising which have, or that could reasonably be expected to have a material impact on the consolidated statement of financial position as at 31 March 2025.

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

We have also performed a review of the interim historical financial information for the 6-month period ended 31 March 2025.

APPENDIX 2: REPORT OF THE INDEPENDENT AUDITORS & REPORTING ACCOUNTANTS ON KARO MINING HOLDINGS HISTORICAL FINANCIAL INFORMATION

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2025 and its consolidated financial performance and its consolidated cash flows for the six-month period then ended, in accordance with IFRS Accounting Standards as adopted by the European Union.

Responsibilities

The directors are solely responsible for the preparation of the Circular to which this report relates and the information contained therein. Our responsibility is to express an opinion on the historical financial information set out in Appendix 1 to the Circular.

It is our responsibility to form an opinion on the basis used for the compilation of the Abridged Consolidated Statements of Profit or loss and other Comprehensive Income, the Abridged Consolidated Statements of Financial Position, the Abridged Consolidated Statements of Cash Flows, and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the financial information beyond that owed to those to whom those reports were addressed at their dates of issue.

Opinion

The financial statements for Karo Mining Holdings plc for the period ended 31 March 2025 and the years ended 30 September 2022, 2023 and 2024 were issued without qualification.

In our opinion the compilation of the Abridged Consolidated Statements of Profit or loss and other Comprehensive Income, the Abridged Consolidated Statements of Financial Position and the Abridged Consolidated Statements of Cash Flows was based on audited and reviewed financial information and is appropriate for purposes of the historical financial information of Karo Mining Holdings plc.

Distribution and Assurances

This report is prepared solely for the Directors of Karo Mining Holdings plc. Any uses that a third party makes of this report, or any reliance or decisions made based on it, are the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this report.

[signed on original]

BDO Limited

Certified Public Accountants and Registered Auditors

15 October 2025

Nicosia, Cyprus

APPENDIX 3: NOTICE OF EXTRAORDINARY GENERAL MEETING



Karo Mining Holdings plc, incorporated in the Republic of Cyprus on 23 February 2018 under company registration Number HE380340

NOTICE TO BONDHOLDERS

NOTICE OF EXTRAORDINARY GENERAL MEETING OF BONDHOLDERS

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Bondholders of The Issuer is to be held virtually by electronic means, via the link, <https://escrowagm.com/eagmZim/Login.aspx>, on Friday, 07 November 2025 at 10:00 hours CAT, for the purpose of transacting the following business:

TO CONSIDER and, if deemed fit, to pass, with or without modification, the following Resolutions:

EXTRAORDINARY RESOLUTION 1 – EXTENSION OF THE VFEX LISTED BOND TENOR BY THREE YEARS

“THAT the maturity date of the VFEX Listed Bond is hereby extended for a period of three (3) years, such that the new maturity date shall be the 1st of December 2028.”

EXTRAORDINARY RESOLUTION 2 – INTEREST RATE CHANGE

“THAT subject to approval of the Extraordinary Resolution 1, the interest rate payable on the principal amount of the Karo Mining Holdings plc VFEX Listed Bond is hereby increased from 9.5% (nine point five percent) per annum to 11.0% (eleven percent) per annum, effective from 01 December 2025, payable in accordance with the interest payment provisions of the Placing Agreement.”

EXTRAORDINARY RESOLUTION 3 – REMOVAL OF THE OBLIGATION TO PAY INTEREST UNTIL MATURITY UPON EARLY REDEMPTION

“That subject to approval of the Extraordinary Resolution 1, Notes shall continue to be redeemable prior to the Final Redemption Date at the option of the Issuer (Early Redemption). In such case, upon the Issuer giving to the Bondholders notice of Early Redemption (such notice being irrevocable), the Issuer will redeem in whole (but not in part) the Note(s) specified in such notice, together with interest accrued and unpaid thereon, if any, to the date fixed for Early Redemption and shall not have any obligation to pay interest that would otherwise be payable until the Final Redemption Date.”

EXTRAORDINARY RESOLUTION 4 – INTRODUCTION OF A GUARANTEE FEE

“THAT, conditional upon the passing of Extraordinary Resolution 1, the terms and conditions of the Bond be and are hereby amended to provide that, with effect from 1 December 2025 until 1 December 2028, the Issuer shall pay to the Guarantor a guarantee fee of 2.6% (two point six percent) per annum on the outstanding balance of the Bond plus simple interest, such interest to accrue from 1st December 2025 until 1st December 2028 or until Early Redemption, where applicable.”

EXTRAORDINARY RESOLUTION 5 – AUTHORISATION

“THAT subject to the approval of Extraordinary Resolutions 1-4 above, the Issuer, the Trustee and the Guarantor are hereby authorized to execute any amendments to the Program Documents which may be required to implement resolutions 1 to 4 above and to bind the Bondholders thereto.”

APPENDIX 3: NOTICE OF EXTRAORDINARY GENERAL MEETING

EXTRAORDINARY RESOLUTION 6 – DEEMED APPLICATION

“THAT subject to the approval of Extraordinary Resolutions 1-4 above, such extraordinary resolutions shall be deemed to be applied throughout the Program Documents, shall supersede any conflicting provisions that may be found therein and shall bind all Bondholders thereto.”

BY THE ORDER OF THE BOARD

APPENDIX 4: FORM OF PROXY

I / We

Of.....

Being member/members of the above Company, hereby appoint:

Mr. / Mrs. / Ms. / Dr

Or failing him or her/the Chairman of the EGM.....

Of.....

As my/our proxy to vote for me/us on my/our behalf at the EGM of the Company to be held on Friday, 07 November 2025, at 10:00 hours CAT and at any adjournment thereof, for the purpose of considering and, if deemed fit passing, with or without modification, the resolutions to be proposed thereat in accordance with the following instructions:

Resolutions	For	Against	Abstain
EXTRAORDINARY RESOLUTION 1 – EXTENSION OF THE VFEX LISTED BOND TENOR BY THREE YEARS “THAT the maturity date of the VFEX Listed Bond is hereby extended for a period of three (3) years, such that the new maturity date shall be the 1 st of December 2028.”			
EXTRAORDINARY RESOLUTION 2 – APPROVAL OF INTEREST RATE CHANGE “THAT subject to approval of the Extraordinary Resolution 1, the interest rate payable on the principal amount of the Karo Mining Holdings plc VFEX Listed Bond is hereby increased from 9.5% (nine point five percent) per annum to 11.0% (eleven percent) per annum, effective from 01 December 2025, payable in accordance with the interest payment provisions of the Placing Agreement.”			
EXTRAORDINARY RESOLUTION 3 – REMOVAL OF THE OBLIGATION TO PAY INTEREST UNTIL MATURITY UPON EARLY REDEMPTION “That subject to approval of the Extraordinary Resolution 1, Notes shall continue to be redeemable prior to the Final Redemption Date at the option of the Issuer (Early Redemption). In such case, upon the Issuer giving to the Bondholders notice of Early Redemption (such notice being irrevocable), the Issuer will redeem in whole (but not in part) the Note(s) specified in such notice, together with interest accrued and unpaid thereon, if any, to the date fixed for Early Redemption and shall not have any obligation to pay interest that would otherwise be payable until the Final Redemption Date.”			

APPENDIX 4: FORM OF PROXY

EXTRAORDINARY RESOLUTION 4 – INTRODUCTION OF A GUARANTEE FEE “ THAT , conditional upon the passing of Extraordinary Resolution 1, the terms and conditions of the Bond be and are hereby amended to provide that, with effect from 1 December 2025 until 1 December 2028, the Issuer shall pay to the Guarantor a guarantee fee of 2.6% (two point six percent) per annum on the outstanding balance of the Bond plus simple interest, such interest to accrue from 1st December 2025 until 1st December 2028 or until Early Redemption, where applicable.”			
EXTRAORDINARY RESOLUTION 5 – AUTHORISATION “ THAT subject to the approval of Extraordinary Resolutions 1-4 above, the Issuer, the Trustee and the Guarantor are hereby authorized to execute any amendments to the Program Documents which may be required to implement resolutions 1 to 4 above and to bind the Bondholders thereto.”			
EXTRAORDINARY RESOLUTION 6 – DEEMED APPLICATION “ THAT subject to the approval of Extraordinary Resolutions 1-4 above, such extraordinary resolutions shall be deemed to be applied throughout the Program Documents, shall supersede any conflicting provisions that may be found therein and shall bind all Bondholders thereto.”			

Signed this day of.....2025

Signature(s) of member.....

NOTE

1. Bondholders in the form of a corporate body must provide documentary evidence establishing the authority of a person signing the Form of Proxy in a representative capacity; this authority must take the form of a resolution of the corporate body.

FOR OFFICIAL USE

NUMBER OF NOTES HELD:

INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

1. A Bondholder may insert the name of a proxy or the names of two alternative proxies of the Bondholder's choice in the space provided. The person whose name appears first on the form of proxy will, unless his/her name has been deleted, be entitled to act as a proxy to the exclusion of those whose names follow.
2. A Bondholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that Bondholder in the appropriate space/s provided as well as by means of a cross whether the Bondholder wishes to vote, for, against or abstain from the resolutions. Failure to comply with the above will be deemed to authorize the proxy to vote or abstain from voting at the EGM as he/she deems fit in respect of all the Bondholder's votes exercisable thereat. A Bondholder or his/her proxy is not obliged to use all the votes exercisable by the Bondholder or by his/her proxy or cast them in the same way.

APPENDIX 4: FORM OF PROXY

3. Deletion of any printed matter and the completion of any blank spaces need not be signed or initialed. Any alteration or correction must be initialed by the signatory or signatories.
4. The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
 - i. under a power of attorney
 - ii. on behalf of a companyunless that person's power of attorney or authority is deposited at the offices of the Issuer's transfer secretaries, or the registered office of the Company, not less than 48 hours before the meeting.
5. When there are joint holders of Bonds, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.
6. The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the EGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.
7. In order to be effective, completed proxy forms must reach the Issuer's Transfer Secretaries or the registered office of the Company not less than 48 hours before the time appointed for the holding of the EGM.
8. Please ensure that name(s) of the member(s) on the form of proxy and the voting form are the same as those on the Bondholder register.