INTEGRATED REPORT 2024/25

ALEXKOR

During 2024/25, Alexkor continued to build on almost a century of service to the country as the state-owned diamond mining corporation.

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GENERAL INFORMATION

ALEXKOR

Registered name	Alexkor SOC Ltd
Registration number	1992/006368/30
Website address	www.alexkor.co.za
External auditors	Auditor-General of South Africa
	4 Daventry Street
	Lynnwood Bridge Office Park
	Lynnwood Manor
	Pretoria 0001
Bankers	First National Bank
Company Secretary	Messina Inc, represented by Lopang Peacock

ALEXKOR HEAD OFFICE

Physical address	1 Orange Road
	Alexander Bay
	Northern Cape 8290
Telephone number	+ 27 27 831 8399
Email address	marianal@alexkor.co.za

ACRONYMS

Alexkor SOC Ltd	Alexkor State-owned Company Limited
CCMA	Commission for Conciliation, Mediation and Arbitration
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CPA	Communal Property Association
DFFE	Department of Forestry, Fisheries and the Environment
DMPR	Department of Mineral and Petroleum Resources
DMRE	Department of Mineral Resources and Energy
IFRS	International Financial Reporting Standards
PFMA	Public Finance Management Act
PSJV	Pooling and Sharing Joint Venture
RMC	Richtersveld Mining Company
SOC	State-owned company

This integrated report charts Alexkor's activities, achievements and challenges from 1 April 2024 to 31 March 2025. It presents the company's governance, strategy, performance and plans in an easily digestible way.

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ABOUT THIS REPORT

SCOPE

This integrated report charts Alexkor's activities, achievements and challenges from 1 April 2024 to 31 March 2025 and those of the Pooling and Sharing Joint Venture (PSJV), a joint venture between the company and the Richtersveld Mining Company (RMC), in which Alexkor has a 51% share.

It presents the company's governance, strategy, performance and plans in an easily digestible way.

It details activities and initiatives undertaken by the PSJV during the review year across its land and marine mining operations and reports on its non-mining activities in Alexander Bay.

The audience for this report includes the key stakeholders of the PSJV, namely the Parliament of South Africa, the South African government (with a 51% interest in the PSJV through Alexkor, represented by the Minister of Public Enterprises), the Richtersveld community (with a 49% interest through the RMC representing the interests of the Sida !hub Communal Property Association [CPA]). It also provides information to investors, mining contractors, the State Diamond Trader, the Diamond Exchange and Export Centre, South African licensed rough-diamond buyers representing rough-diamond buyers from all over the world, Women in Mining, Richtersveld Local Municipality and any entity needing an evaluation of the PSJV's capacity to generate sustainable value.

REPORTING STRUCTURE

Alexkor reports according to global and local integrated reporting frameworks, standards and guidelines. It complies with the requirements of the Public Finance Management Act No 1 of 1999 (PFMA) and its regulations and the Companies Act No 71 of 2008 and heeds International Financial Reporting Standards (IFRS) and the International Integrated Reporting Framework. The company also subscribes to the principles of the King IV Report on Corporate Governance for South Africa, 2016.

MATERIALITY

Material issues form the basis of the report. The key issues in 2024/25 were:

1. Continuously low carat production
2. A lack of capacity to address audit findings of the prior year
3. Insufficient number of active contractors on the mine.

ASSURANCE

The Audit and Risk Committee provides the Board annually with internal assurance on risks, controls and governance and on Alexkor's financial, operating, compliance and risk-management controls. Non-financial information is included in the report to present a comprehensive and transparent picture of the review year. It is reviewed but not assured.

INTEGRATED INFORMATION

Alexkor's seven core values underpin its six strategic objectives and guide its conduct and the activities outlined in this report. They are:

- **Integrity:** We will always deliver on our promise.
- **Professionalism:** We will always strive for the highest standards possible.
- **Safety:** We shall ensure that our employees and contractors operate in a safe environment.
- **Accountability:** We will always take full responsibility for the outcomes of our behaviour.
- **Dedication:** We will be focused and goal-orientated.
- **Business ethics and good governance:** We will ensure compliance with company directives, applicable laws and regulations.
- **Dynamic:** We will be highly energetic, creative and innovative.

Together, they create sustained value for shareholders and ensure that needs and expectations are met. Heightened stakeholder engagement instituted in 2023/24 continued throughout 2024/25.

AUDIT OUTCOME

The Auditor-General was unable to obtain sufficient and appropriate audit evidence that the consolidated annual financial statements had been prepared on the basis of accounting principles applicable to a going concern and, consequently, issued a disclaimer audit opinion.

APPRECIATION

The management and staff of Alexkor and the PSJV continued in the year under review to work diligently and committedly to improve performance and address the many issues identified as crucial to creating a more effective organisation.

The Board thanks all team members for their contribution. It also appreciates the support offered by the shareholder during the reporting period, initially the Minister of the Department of Public Enterprises, and subsequently, the Minister of the Department of Mineral and Petroleum Resources.

APPROVAL

Responsibility for the integrity of the integrated report lies with the Board and the Audit and Risk Committee. The Board guided and monitored preparation and presentation of the information presented and confirms that it addresses all material issues and fairly presents the organisation's performance and impact.

This report was approved by the Board and signed on its behalf by:

Dineo Peta
Chairperson

CHAIRPERSON'S OVERVIEW

During 2024/25, Alexkor continued to build on almost a century of service to the country as the state-owned diamond mining corporation. Not every facet of its history has shone brightly – many rough edges have had to be smoothed out and still more remain, as the organisation continues to navigate the reality of funding constraints, undercapacity and, in many mining areas being worked, depleting diamond reserves.

That said, the year brought some progress on the journey to long-term sustainability. As a player in a complex economic and regulatory environment, the company prioritises responsible mining, sound governance and value creation for stakeholders, namely the Richtersveld community, employees and strategic business partners. And this year proved that it possesses the will, resilience and commitment to explore and exploit all avenues to greater productivity and profitability, while improving the lives of the people with whom it shares its territory.

THE OPERATING ENVIRONMENT

Any upturn in the world economy rubs off on South Africa, which is now beginning to reflect the combined effects of a more stable global environment. Structural reforms are taking place, electricity supply is stable and the government of national unity offers citizens cautious hope for a better future. National Treasury projects that the country's real gross domestic product will grow by an annual average of 1.8% from 2024 to 2026, against weak economic growth of 0.8% since 2012.

This is more optimistic than the 2023 forecast of 1.4% between 2024 and 2026. A tentative return to confidence is evident in a rebound in financial markets, a stronger rand and comparatively lower sovereign borrowing costs.

The Minerals Council South Africa noted in 2024 that 'the mining industry continues to make an important contribution to the lives of employees, communities and the country through its contribution to the fiscus, taxes and royalties, by providing jobs and benefits, education and training and by investing in social projects and infrastructure'.

The diamond industry has been resilient and agile in adapting to changing consumer preferences and market dynamics and grew from $2.43 billion in 2023 to $2.59 billion in 2024 at a compound annual growth rate of 6.7%.

GOVERNANCE

During the year, plans were put in place to enhance the strong governance structure that already exists at Alexkor. This foundation is built on fairness, accountability, responsibility and transparency and it is implemented according to the prescripts of King IV.

Aspects identified for refinement include updated governance and finance structures, revised delegations of authority and work with the Department of Agriculture, Land Reform and Rural Development and DPE to develop a workable model of mining within the framework of the deed of settlement.

A performance management system is being developed for staff and contractors featuring cascaded performance measures and key indicators. Revised financial and corporate policies and systems are being introduced to deal with deficiencies identified during the external audit.

Just before year-end, the Board underwent an overhaul, with the interim arrangement that had been in place since 2021/22 making way for a new, larger and more diversified structure, with greater non-executive director representation in the persons of Bongie Ngxishe, Freddy Raseote, Dr Jonty Tshipa, Dr Nico Swartz and Shinduvi Zitha. These members will contribute their new perspectives, fresh insights, personal and professional skills and extensive experience to the considerable task we face in the next year and in those that follow.

As was I, existing Board member Hilary Swartbooi was reappointed, and former interim CEO Prof Trevor Fowler was appointed to continue at Alexkor as a Board member.

AUDIT OPINION

As of 31 March 2025, the annual financial statements for the financial year ended 31 March 2024 bore an Auditor-General disclaimer audit opinion that the outcome would be a qualified audit finding.

This situation, which follows audit opinion disclaimers in the previous two finance years due in part to discrepancies in and disagreements about previous closing balances, could lead to Alexkor having a finding in perpetuity. To avoid this, it has prepared an audit improvement plan, which is reviewed by the Board quarterly. Key measures being implemented to address audit findings include capacitating the finance unit, investigating historic errors and process adjustments on opening balances, obtaining technical opinions on disputes and performing reconciliations between financial reports and evidence where necessary.

The Auditor-General issued a disclaimer on the financial statements for 2024/25, citing insufficient evidence that they had been prepared according to the required accounting practice.

FINANCIAL AND PRODUCTION PERFORMANCE

Production plunged during the review year, with carat volumes at 7 729.92 carats, from 23 000 in 2023/24, itself a marked drop from the 35 000 of 2022/23.

Revenue decreased from the R564 million of 2023/24 to R132 million in the year under review.

There was a loss of R69.5 million for 2024/25.

Greater detail on financial performance appears in the CEO's report on page 5.

CURRENT STATUS AND THE ROAD AHEAD

It is evident that Alexkor faces crucial challenges, declining production and a third consecutive disclaimer audit opinion. Recommendations to ensure 2024/25 stability included finalising key executive appointments, enhancing community engagement and implementing the turnaround strategy.

The relationship between Alexkor and RMC must be built on a positive note to bridge a new course for a constructive partnership that serves the interests of both parties. This will help engender local economic development, while satisfying the shareholder's imperative of growth and prosperity for the nation, finding common ground and fostering cooperation. Such an approach will be aligned to short- and longer-term sustainability for both company and community.

Alexkor's mining activities are crucial to future economic diversification in the light of the development of Boegoebaai deep-water port and the government's green hydrogen project. This project will position Northern Cape as a green hydrogen and mineral hub, leveraging land assets for equity and partnerships, while optimising Transhex Marine contract terms to enhance carat recovery. Key governance risks include balancing capital-intensive investments with historical liabilities and ensuring stable marine yields through improved vessel strategies.

The Board must ensure that three priorities are sustained, namely governance, mining profitability and relationships with the RMC community.

Although Alexkor faces a plethora of risks, the Board remains optimistic of a turnaround in fortunes.

The organisation is taking action to remedy its situation, with work ongoing to begin production in concession areas 4A and 4B. Once negotiations have concluded with bidder Transhex Marine, we expect to produce about 20 000 carats in the coming financial year.

For 2025/26, Alexkor has an action list of short-term and medium- to long-term interventions to strengthen the organisation and prepare it for the considerable opportunities to come. The immediate turnaround strategy includes reprocessing the tailings dump and employing larger contractors to explore and mine the land extensively. Marine contractors need to be managed and monitored regularly and thoroughly.

This will go hand in hand with acquiring geophysical data and reprocessing of data to identify drilling targets. Internally, strict cost measures will be instituted and staff will be redeployed to address current vacancies in the management structure. Longer term, policies and procedures will be updated and revised revenue and business models formulated to ensure sustainability.

The handover of Alexander Bay to Richtersveld Local Municipality is in progress and promises to empower community members while improving the outlook for Alexkor through the provision of basic services.

The Board must focus on its mandate to ensure that Alexkor is profitable, sustainable and a growing mining company that contributes to the development of the community it serves. The Board also needs a corporate mission to grow a mining entity that builds a legacy driven by growth, shareholder interests and effective leadership.

APPRECIATION

On behalf of the Board, I acknowledge the support provided by the shareholder representative – the Minister of Mineral and Petroleum Resources – the Richtersveld community, the Alexkor team, organised labour, regulators and business partners. Your role in our continuing story is paramount and greatly valued.

My sincere appreciation goes to interim Board members, namely Dr Patricia Hanekom, Quentin Green, Karabo Mbele, Hilary Swartbooi and Prof Francis Petersen for their dedication to a task that was extremely demanding and carried out under very difficult circumstances and constraints. Through it all, they persevered and ensured that all their actions and decisions were in the best interests of the organisation and its stakeholders.

Now, with the new Board in office and through application of the corporate strategy, maintenance of a strong governance structure and constant stakeholder collaboration and cooperation, Alexkor will continue to honour its dual mandate of financial viability and socio-economic development.

The challenges that marked the interim Board's tenure remain and the new Board has its work cut out for it. For taking on the role, I thank my fellow Board members and look forward, as the chairperson, to working with them to ensure that Alexkor realises the heights of which it is capable and instils in South African citizens trust in its ability to satisfy economic, social and environmental imperatives for the good of the whole country.

Dineo Peta
Chairperson

REPORT OF THE INTERIM CHIEF EXECUTIVE OFFICER

As the chairperson's foreword suggests, 2024/25 was extremely challenging for Alexkor – a year in which it appeared that all decks were stacked against us.

Production volume was a far cry from the envisaged annual output of 150 000 carats. Witvoorkop, a strong diamond producer in past years, is largely barren. Marine production fell victim to rough seas during winter and was halted.

These situations were exacerbated by the carat price, which has declined year on year, from a peak price increase in March 2022 of about 15% for one and three carats, 11% for 0.5 carats and about 7% for 0.3 carats above the December 2021 prices. By October 2024 prices were -17% for three carats, -48% for one carat; -43% for 0.5 carats and -41% for 0.3 carats below the December 2021 prices.

Naturally, a massive drop in production and unfavourable pricing affects all other areas of operation. Assets have grown older and less functional and essential exploration has stalled.

Work on the mining concessions 4A (shallow-water concession) and 4B (mid-water concession) has yet to start because access is through Kleinsee, where leadership controversies continue.

Issues involving Vast Mineral Sands, Coptra-SA and cofferdams remain unresolved and before the courts.

That said, some progress – albeit temporary – was made in the crucial area of human resources, where capacity has been woefully inadequate in recent years.

Although the vacant seat that should be occupied by the Chief Financial Officer was not filled, BDO's Unathi Mkiva remained in Alexander Bay as adviser until August 2024. He then fulfilled this role part-time at the Megawatt Park office. Clapton Mbano, also of BDO, was stationed in Alexander Bay, where he attended to the financial reporting backlog. This temporary financial management support from BDO, with the procurement action plan (page 38) of the Chief Financial Officer (CFO) are mitigating the R34.7 million irregular expenditure footprint noted in the report.

Another hurdle was encountered when the General Mine Manager resigned, and the Mine Engineer and Junior Mine Engineer were dismissed for misconduct. Wiaan Basson was appointed interim General Mine Manager, and, following the death of the appointed part-time Mine Engineer, a short-term contract was awarded to Themba Mahlangu.

These realities demonstrate the concerning state of human resources capacity, which must be rectified as soon as finances allow.

As we seek to recruit suitable candidates for key positions, and in line with national imperatives, we remain mindful of the need for employment equity, increased procurement from women-owned enterprises and greater representation by women in leadership and management roles.

FINANCIAL PERFORMANCE

Alexkor's property, plant and equipment net value was R300 599 917.63 at year-end compared to R363 533 166 in 2023/24.

Management identified a number of errors in prior periods, resulting in adjustments. Specifically, the decommissioning and restoration asset was not previously recognised in accordance with accounting standards. The result in the variance is due to the adjustment and not to investment.

By December 2024, Alexkor and the PSJV had amassed a cumulative R34.7 million in irregular and wasteful expenditure, while fruitless and wasteful expenditure to the same date stood at R465 517.

Management committed itself to resolving this through either recovery or application for condonation.

Given the situation and its implications, however, the need for support and skills in the procurement department is obvious.

OPERATIONAL PERFORMANCE

The yearly targets agreed with the shareholder (page 29) are set against Alexkor's strategic pillars and form the 'to do' list for the financial year. Of the 11 targets set for 2024/25, only two were achieved, but they were in the vital area of safety. There were no fatalities during the year and fewer injuries were incurred, which lowered the lost-time-injury-frequency rate.

Poor performance against many of the other key performance areas can be attributed to the decline in carat production, made worse by a 35% reduction in the number of contractors, coupled

with lack of capacity and funds. Action plans are in place to turn fortunes around during the next financial year.

RELATIONSHIPS

Mutually beneficial partnerships with stakeholders are vital to Alexkor's ability to perform against its mandate while enhancing the lives of those who live and work in the community in which it operates.

Enhanced supplier development interventions will help start-up service providers, especially women, youth and people with disabilities, to expand their businesses to create jobs and economic avenues.

RISK MANAGEMENT

Alexkor's risk appetite framework facilitates comparatively higher risk taking to satisfy its development mandate. The limits and thresholds take into consideration the strength of Alexkor's balance sheet and its three-year forecast. The company regularly reviews and, if need be, adjusts the thresholds.

The organisation operates in a risk-mired environment that needs careful and calculated management. Risks and opportunities are covered in more depth on pages 14 to 17, but some matters warrant special mention.

The risks remain primarily in four categories: Business continuity, cybersecurity, human capital and environmental and social issues.

Importantly, however, even the most severe risks may be seen as opportunities. Sustainability is undoubtedly Alexkor's primary concern, stemming from a lack of capacity on many levels and increasing scarcity of our lifeblood, diamonds. But it also allows us to improve alignment with and enhance support for contractors to increase carat output and revenue.

ACKNOWLEDGEMENTS

The interim Board did its work diligently and dedicatedly to put the organisation on a stronger footing than before its appointment. It achieved a great deal and has given us a little light at the end of the tunnel – light that will guide us to sustainability and stability. On behalf of the executives and staff, we thank the members for the time and effort they expended over three years.

Alexkor and PSJV management and staff conducted themselves admirably during the financial year, giving their best no matter the circumstances and challenges. Every contribution is sincerely appreciated.

Your continued commitment will become even more crucial in the coming years because of the opportunities that are available to Alexkor. These include the prospect of improved relations with the Richtersveld community and with other stakeholders, including labour unions. Operationally, we have a chance to tap into unmined land (estimated at 80% of the total mining area), research and resume cofferdam activities, launch lucrative large-scale exploration and resolve legal matters that are hampering progress (see page 46).

Alexkor's destiny rests on effective management of both sides of its corporate coin. On one side is understaffing and incapacity to attract and retain skills, lack of funds for research and to expand operations, poor public reputation, outdated infrastructure and a plethora of small contractors.

Flip the coin, though, and one finds an effective lean management team, access to process plants and final recovery, market demand for high-quality land- and marine diamonds, experienced long-term mining contractors and strong governance structures.

As we approach our centenary, let us band together to transform Alexkor from a diamond in the rough to a sparkling example of South African professionalism.

Prof Trevor Fowler
Interim Chief Executive Officer

Alexkor's vision is to be an ethical, competitive, progressive, forward–looking organisation that serves the government and community interests.

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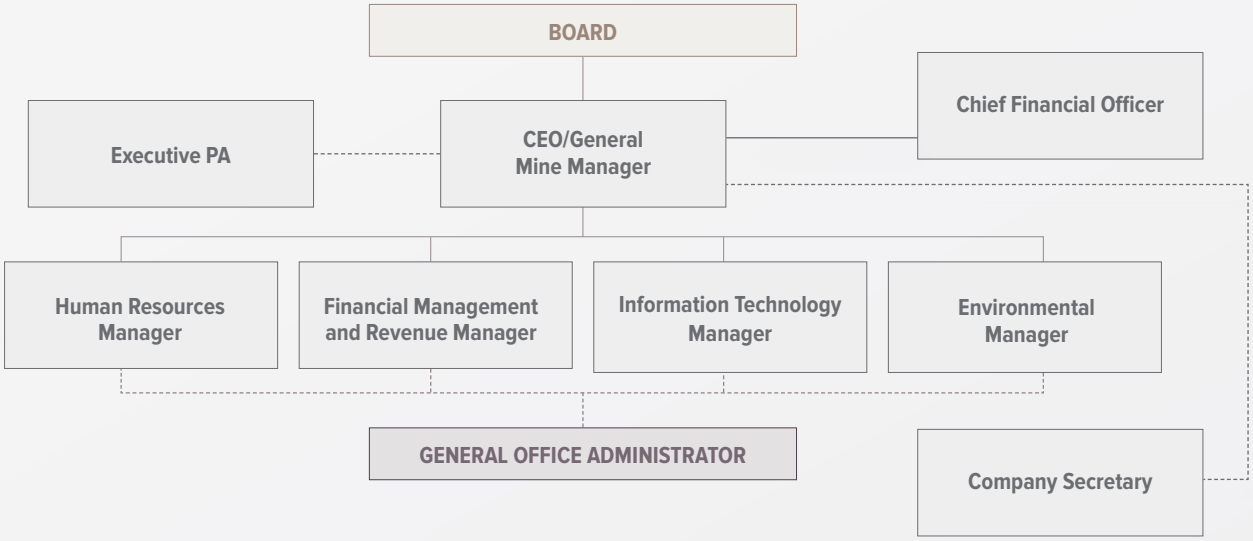
THE ORGANISATION

Since its establishment as the state-owed diamond mining company, Alexkor has committed itself to its mission of profitability, sustainability, growth and development of the communities in which it operates.



Alexkor was established in terms of the Alexkor Limited Act No 116 of 1992 (as amended by the Alexkor Limited Act No 29 of 2001) as a listed schedule 2 public entity. However, Alexkor's history spans nearly a century: In 1926, the rich diamond deposits at Alexander Bay were discovered. These deposits proved so rich that, in 1927, the government prohibited all further diamond prospecting on state-owned land in the Namaqualand. In 1928, the South African government started mining operations at Alexander Bay through the State Alluvial Diggings.

The core focus of Alexkor, in its various guises, has always been diamond mining. The Alexkor of today retains this focus, responsibly and sustainably, supporting the South African government's national developmental agenda by optimising natural resources for economic development.

Alexkor's operational entity is the PSJV, which was founded following a court order setting up a deed of settlement and a unanimous resolution, outcomes of a 2007 claim by the Richtersveld community, constituted largely by the Nama people, who had been forced off their land in 1928.

The PSJV is an unincorporated, jointly–controlled arrangement combining the assets of Alexkor (marine mining rights) and the land-mining rights of RMC, the latter created to receive and administer mining concessions and the interests of the Sida !hub Community Property Association on behalf of the community.

The governance of the PSJV is jointly shared according to a 51% and 49% participation interest holding by Alexkor and the RMC respectively.

The Alexkor group consists of Alexkor SOC Ltd, PSJV and the Rehabilitation Trust, which houses funds for the rehabilitation of the mining operations.

The entity's vision is to be an ethical, competitive, progressive, forward-looking organisation that serves the government and community interests.

Its mission is to grow a mining entity that builds a legacy driven by growth, shareholder interests and effective leadership, which fosters personal and professional growth of staff, cost effectiveness and social cohesion of communities and that promotes safe and healthy mining practices such as environmental compliance, while building financial sustainability.

Alexkor is guided by its memorandum of incorporation, the PFMA and its regulations and guidelines, the Companies Act of 2008, the Mineral and Petroleum Resources Development Act of 2002, industry regulations and other legislation, regulations and guidelines.

In addition to the above, primary legislation governing Alexkor and the PSJV comprises:

- Alexkor Limited Act 116 of 1992 (amended by Alexkor Amendment Act 29 of 2001)
- Mine Health and Safety Act 29 of 1996
- Basic Conditions of Employment Act 75 of 1997, as amended
- Labour Relations Act 66 of 1995
- Employment Equity Act 55 of 1998
- National Environmental Management Act 107 of 2008
- National Environmental Management: Protected Areas Act 57 of 2003
- National Environmental Management: Biodiversity Act 10 of 2004
- National Environmental Management: Air Quality Act 39 of 2004
- National Environmental Management: Integrated Coastal Management Act 24 of 2008
- National Environmental Management: Waste Act 59 of 2008

Policies and best practice guidelines include:

- National Development Plan
- Mining Charter (2018)
- Comprehensive Rural Development Programme
- King Report on Corporate Governance

MANDATE

The Alexkor Act and the shareholder compact require that the company:

Transform itself into a viable, dynamic mining entity

Advance organic growth at Alexander Bay

Explore new opportunities and possible acquisitions

Be a sustainable, healthy, safe and environmentally responsible organisation

Care for people

Provide sound leadership and build credible processes

Forge strong relationships with all strategic partners

ABOUT ALEXKOR

Alexkor's vision is to be a competitive, progressive and forward-looking organisation with a conscience. It supports the South African government's national development agenda by optimising natural resources for economic development.

Its mission spans profitability, sustainability, growth and development of the communities in which it operates, namely Alexander Bay, Koeboes, Sandrift, Lekkersing and Eksteenfontein – towns collectively known as the Richtersveld.

Alexkor is guided by its strategy and its activities are aligned with South Africa's NDP Vision 2030, 11 United Nations Sustainable Development Goals (see page 22), and South Africa's development goals announced by President Cyril Ramaphosa in October 2020, African Union Agenda 2063 and the Paris Agreement on Climate Change.

The PSJV, established in 2011 following a land restitution claim by the Richtersveld community against the South African government, mines diamond reserves to ensure sustainable job creation and economic cohesion in the community.

Through its interest in the PSJV, Alexkor must consider government, social, economic mining policy objectives and the Constitution.

The RMC's interest in the PSJV is represented by three court-appointed directors of the PSJV board.

LAND-MINING ACTIVITIES

The PSJV mines 865km^2, using contractors for mining, bedrock sweeping and tailings dump mining. Diamondiferous gravel is excavated from raised beaches, the banks of the Orange River and late-stage river beds. Contractors remove topsoil and conduct overburden stripping, excavate and screen the gravel, haul screened product to treatment plants and rehabilitate disturbed areas.

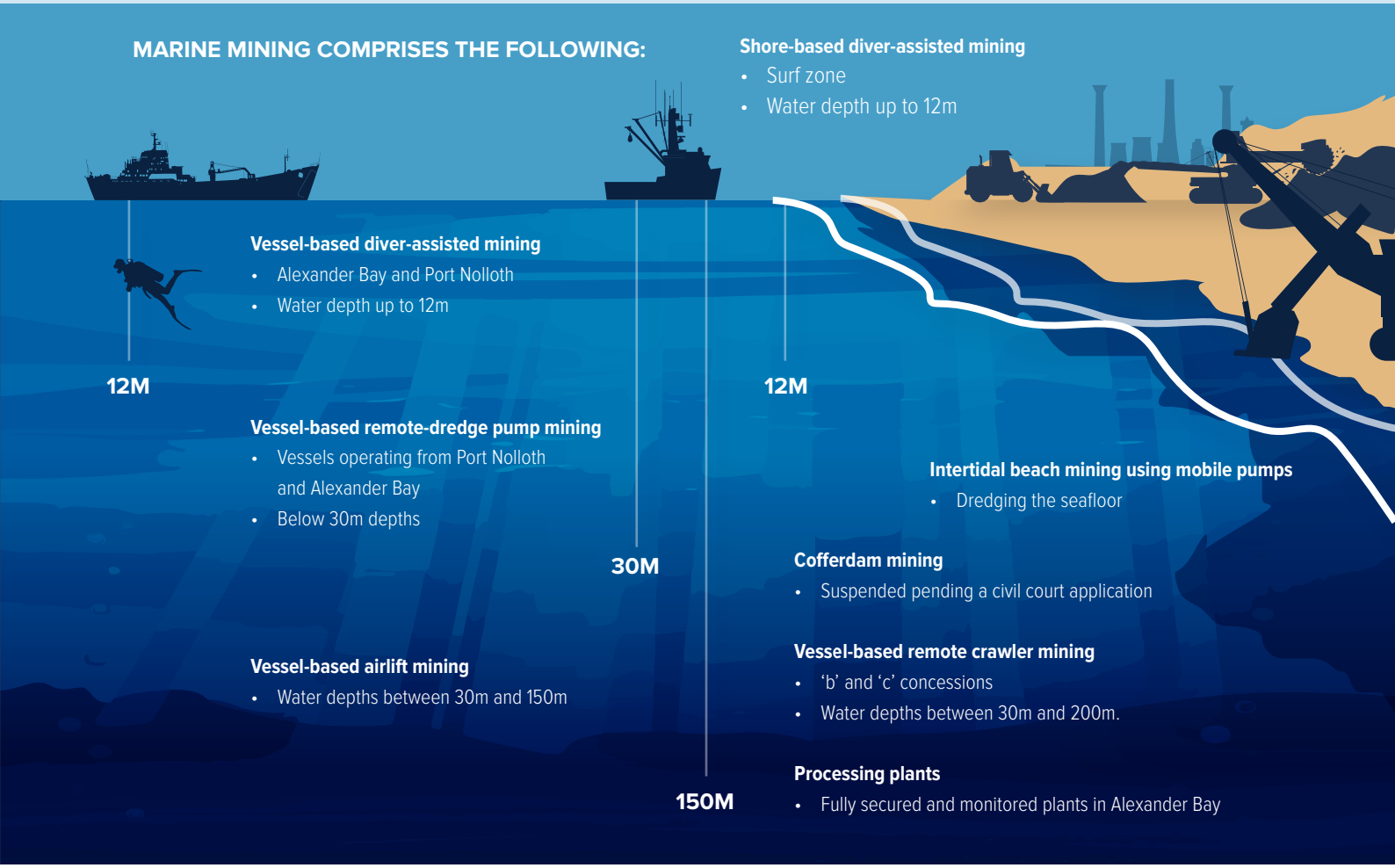
MARINE ACTIVITIES

The concessions for shallow-, mid- and deep-sea waters extend from north of Alexander Bay to south of Port Nolloth. No deep-sea mining was conducted during the 2023/24 financial year, following the lack of a suitable bidder responding to a tender issued in 2024.

Although this status remained during the year under review, a tender process culminated in July 2024 in provisional awards to 17 contractors. Due to administrative non-compliances by the bidders, this group did not include any deep-sea contractors nor many of the small and micro-contractors that have had past contracts with the organisation.

However, a limited bidding process was undertaken for deep-sea mining, which attracted one bidder. The bid was not considered as it was submitted after the deadline due to the bidder's misunderstanding of the conditions of the contract. A second bid was released and, at the end of the period under review, discussions were in progress with the bidder.

MARINE MINING COMPRISES THE FOLLOWING:



RISKS AND OPPORTUNITIES

The fulfilment of Alexkor's vision and mission is dependent on its effectiveness in identifying, managing and leveraging risks and opportunities.

The Board retains ultimate responsibility for risk oversight and continuously monitors the treatment of key risks and opportunities associated with strategy, business operations and governance through the enterprise risk management framework.

This integrated approach to risk management underpins planning, decision-making and performance management across the organisation and is supported by ethical conduct, statutory compliance and sound financial practices.

Business continuity

Alexkor's ability to sustain operations relies on adequate human and technical capacity, reliable exploration data and effective functioning of governance structures. Staffing constraints, limited availability of exploration data and historical operational dysfunction within the PSJV continue to pose risks to continuity.

However, stabilising governance arrangements, improving contractor performance and strengthening planning discipline will open the door to enhancing long-term operational resilience.

Cybersecurity

Due to the increasing threat of cyber breaches, Alexkor has implemented firewalls, antivirus software and backup protocols to safeguard its systems. No data breaches were recorded during the year under review.

Continued investment in cybersecurity controls and system resilience will enable the organisation to support operational continuity and protect sensitive information.

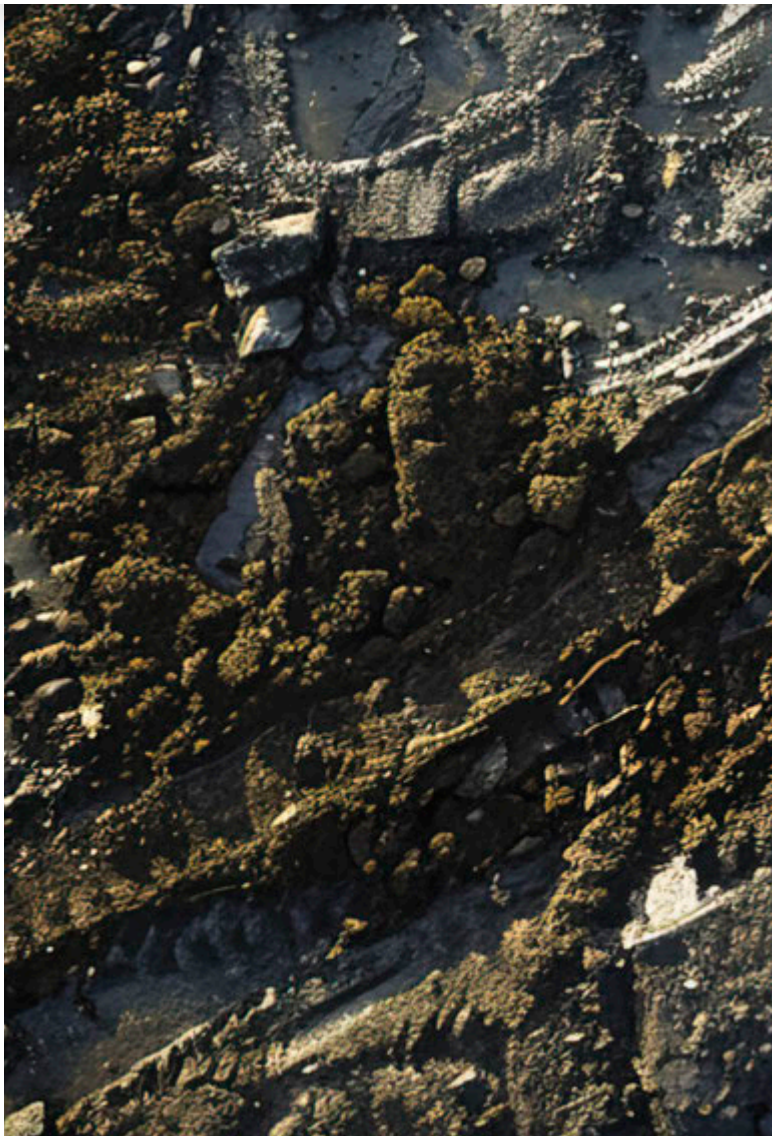
Human capital

Capacity constraints persist due to reductions in the number of staff between 2019 and 2022. While modest increases in staff numbers were recorded during the year, shortages are evident in finance, supply chain management and other crucial administrative functions.

Addressing skills gaps, implementing standard operating procedures and targeted training initiatives will strengthen institutional capability and reduce operational risk.

Environmental, social and governance (ESG)

Climate change and ESG-related considerations remain key risks for mining operations, particularly in environmental compliance, community relations and regulatory oversight. Effective implementation of the deed of settlement, improved stakeholder engagement and compliance with environmental and social obligations will enable Alexkor to enhance its social licence to operate and ensure long-term sustainability.



RISKS AND REMEDIAL ACTION

Risk number	Mandate/ area	Strategic outcome-oriented goal	Risk category	Risk	Risk description	Control description	Management action/opportunity
1	Operations	Sustainability	Strategic risk	Legal dispute over prospecting rights	Legal dispute between Vast Minerals and Alexkor SOC Ltd over prospecting and mining rights in the Richtersveld	Formal objection supported by technical documentation and Promotion of Access to Information Act 2 of 2000 request to Department of Mineral Resources and Energy (DMRE)	Appeal to the Constitutional Court in progress
2	Operations	Sustainability	Strategic risk	Financial sustainability and going concern	Carat production must generate sufficient revenue to cover costs and sustain operations and the town	Agreed production targets, continuous monitoring and contractor engagement	Alexkor oversight, PSJV board alignment, quarterly reporting
3	Operations	Continuity	Strategic risk	Health and safety non-compliance	Compliance failures may result in injury, loss of life or operations stopping at the mine	Continuous inspection of equipment and infrastructure and systematic resolution of compliance issues	Address compliance lapses and ensure compliance with Mine Health and Safety Act
4	Operations	Sustainability	Strategic risk	Resource confidence risk	Inability to convert diamond resources from inferred to indicated confidence	Z-star informed planning, drilling programmes, bulk sampling and aerial surveys	Appoint independent exploration team and use Muisvlak plant
5	Operations	Contractor default risks	Strategic risk	Contractor performance risk	Contractors may fail to achieve outcomes due to funding, equipment or contract issues	Production reviews, contract enforcement and contractor engagement	Renew contracts with incentives, contractor support and close monitoring
6	Operations	Compliance	Strategic risk	Statutory non-compliance	Risk of non-compliance with statutory and regulatory requirements	Updated social and labour plan and internal audits	Conduct regular compliance inspections
7	Operations	Sustainability	Strategic risk	Non-compliance with deed of settlement implementation	Handover of Alexander Bay to Richtersveld Local Municipality	Provincial steering committee oversight and township handover project team	Engagement with the National Energy Regulator of South Africa, electricity separation and phased handover

Risk no	Mandate/ area	Strategic outcome-oriented goal	Risk category	Risk	Risk description	Control description	Management action/opportunity
8	Operations	Governance	Strategic operational risks	Housing management risk	Inability to track residents and misaligned property management responsibilities	Collaboration between Alexkor and PSJV and policy monitoring	Alexkor to assume management and consider outsourcing housing management
9	Supply chain management	Governance	Strategic risk	Supply chain management non-compliance	Risk of irregular, fruitless and wasteful expenditure	Compliance checklists, market analysis and declarations	Contract register monitoring, fraud assessments and reporting
10	Financial management	Governance	Strategic risk	Lack of standard operating procedures	Operational disruption due to absence of standard operating procedures	Design and implementation of procedures	Draft procedures, train staff and monitor performance
		Operational sustainability	Legal risk	Licensing obligations — litigation from double granting within the Alexkor mining areas	Risk of Department of Mineral and Petroleum Resources (DMPR) regulators double granting within Alexkor mining areas		Management being alert and ready to object through legal action whenever mining activity is picked up in the mining area
		Financial sustainability	Financing	Mining asset sterilisation	Boegoebaai development sterilising certain aspects of the mining long-term plans as a result of poor engagement of key stakeholders (Transnet and Department of Transport)		Continuous engagement with Transnet and Department of Transport
		Financial sustainability	Funding constraints mitigation and asset under-development	Mining asset under-development due to lack of funding	Mining asset not developed ahead of commodity boom due to prohibitive exploration costs. Result is missed commodity booms		Heavy minerals mining development planned to coincide with commodity booms and engagements with the Council for Geoscience and DPMR to invite investment out of the DMPR exploration fund for pursuing exploration activities
		Stakeholder congruency	Strategy misalignment	Long-term goals of partners (Alexkor and communities) not aligned	Long-term mining goals of partners (Alexkor and communities) not aligned		Continuous engagement with communities to ensure aligned diversification strategies

STAKEHOLDER ENGAGEMENT

Alexkor places great store in establishing and maintaining relationships with stakeholders as the basis for shared commitments and visions and cooperation essential to business prosperity and community satisfaction.

Government partners are among the primary audiences. Collaboration and cordial relations with the communities in which the organisation operates are also paramount as they ensure residents' needs are met and their quality of life maintained.

STAKEHOLDER GROUPS

GOVERNMENT, THROUGH THE DEPARTMENT OF PUBLIC ENTERPRISES

Why engage?
Maintain fruitful relationships with the department so that it contributes to the achievement of short- and long-term business objectives

Activities
General engagements and quarterly reporting to DPE

Desired outcomes
Strategy and planned targets approved for implementation

PORTFOLIO COMMITTEE ON PUBLIC ENTERPRISES

Why engage?
Demonstrate accountability, garner support and debate and resolve business challenges

Activities
Board engagements with the shareholder

Desired outcomes
Proof of Alexkor's transparency and accountability on business and social cohesion activities

NATIONAL TREASURY

Why engage?
Seek guidance on issues such as PFMA compliance

Activities
Submission of corporate plans, budgets, financial statements and integrated reporting

Desired outcomes
Financial and governance accountability

SOUTH AFRICAN DIAMOND AND PRECIOUS METALS REGULATOR AND STATE DIAMOND TRADER

Why engage?
- Licensing of selling and buying of diamonds (10% of production is sold to the State Diamond Trader)
- Beneficiation of diamonds

Activities
- Diamond Export and Exchange Centre tender
- Discussions on the 10% production allocation

Desired outcomes
- Selling of diamonds in open tender, ensuring best prices (market values)
- Agreement on and sale of 10% of diamond production

DEPARTMENT OF MINERAL RESOURCES AND ENERGY

Why engage?
- Compliance with licence to operate
- Report on compliance with Mining Charter
- Guidance on transformation and employment equity
- Keep the department informed of the company's broad-based black economic empowerment and enterprise development

Activities
- Annual statutory reports to DMRE
- Meetings and site visits with senior DMRE officials

Desired outcomes
- Ongoing compliance with health, safety and environmental regulations
- Implementation of social and labour plan commitments

DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

Why engage?
Implementation of the deed of settlement

Activities
Gain assistance from the department on effective implementation of the deed

Desired outcomes
Effective implementation of the deed of settlement

NORTHERN CAPE GOVERNMENT

Why engage?
Ensure a smooth town handover of Alexander Bay to Richtersveld Local Municipality

Activities
Quarterly meetings

Desired outcomes
Successful town handover

RICHTERSVELD LOCAL MUNICIPALITY

Why engage?
- Town handover
- Community projects

Activities
- Guidance on priority community projects
- Monthly meetings on the handover
- Regular engagement on water supply and crisis management for Port Nolloth

Desired outcomes
Successful town handover

RICHTERSVELD MINING COMPANY

Why engage?
The CPA and the Companies and Intellectual Property Commission are reconstituting the RMC board to enable it to communicate with community governance structures

Activities
Regular meetings and engagements with CPA representatives

Desired outcomes
Resolved community issues and stronger relations between Alexkor and the shareholder of the joint venture partner

NORTHERN CAPE ECONOMIC DEVELOPMENT, TRADE AND INVESTMENT PROMOTION AGENCY

Why engage?
Alexkor's participation in Boegoebaai harbour and the green hydrogen project

Activities
Regular meetings

Desired outcomes
Boegoebaai harbour and green hydrogen project success

TRANSNET

Why engage?
Preparation for the Boegoebaai harbour and green hydrogen project, including a deepwater port and rail network to serve the new production hub

Activities
Quarterly meetings

Desired outcomes
Productive partnership to ensure project success

ORGANISED LABOUR (NATIONAL UNION OF MINEWORKERS)

Why engage?
Ensure sound relations among union officials, employees and management

Activities
Regular meetings to agree on salary increases and other workforce issues

Desired outcomes
A sound relationship with labour to maintain productive working conditions, ensuring Alexkor's sustainability

CONTRACTORS AND OTHER SERVICE PROVIDERS

Why engage?
- Create an environment of teamwork to maximise production and employee development
- Enforce conduct requirements to eliminate corruption

Activities
Agreements between contractors and Alexkor, indicating responsibilities and conduct expected

Desired outcomes
- Sustainable production
- Maintenance of health and safety standards
- Combatting fraud

Stakeholder contact during the period under review included the following:

- Meetings with Richtersveld Local Municipality on the town handover, specifically the development of a water pipeline between Alexander Bay and Port Nolloth, the repair of the former's roads, the establishment of a proper town maintenance process and the crisis of increased water demand from Port Nolloth
- Quarterly provincial operational committee meetings with the South African Police Service
- Discussions with the DMRE/DMPR on matters such as the company's social and labour plan and associated projects
- A meeting in terms of section 54 of the Mine Health and Safety Act to discuss Maatla's denial of access to the mine
- Discussions with Vast Mineral Sands on its prospecting right for the area over which the PSJV holds its mining rights
- Meetings with the CPA to discuss issues including the town handover, Vast Mineral Sands and Maatla.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE IMPERATIVES

The global focus on environmental, social and governance (ESG) factors places a responsibility on all companies to consider the role these elements play in maintaining a well-rounded, inclusive and mindful approach to business. Natural resource use, energy efficiency and usage, waste management, carbon footprint and greenhouse gas emissions, safety and human rights are standing items on the Alexkor agenda, as shareholder, stakeholders and investors alike demand more from the business community.

In addition to adhering to the King IV report on corporate governance, International Financial Reporting Standards (IFRS) standards 1 and 2, the Taskforce on Nature-related Financial Disclosures and the European Commission's Corporate Sustainability Reporting Directive (see the governance section on page 32), Alexkor pays keen attention to its environmental impact through, among other initiatives, the Alexkor Rehabilitation Trust.

It remains in close liaison with the Northern Cape Department of Economic Development on the green hydrogen initiative, for which it and RMC hold the mining rights and the land. The social component of ESG includes corporate social investment, which is a crucial aspect of Alexkor's relationship with the community in which it operates.

To enhance their social wellbeing, the company financially supports mine community residents in the following areas:

- Accommodation
- Education and transport
- Social assistance, including financial assistance towards funerals
- Cultural development
- Entrepreneurship
- Sports development

The company remains committed to contributing monthly to the schools in the Richtersveld. This funding goes towards the salaries of teachers appointed by the school governing bodies.

Alexkor also provides ongoing support to company to schools in labour-sending areas, contributing to teacher wages to enable them to continue to provide high-quality tuition.

CLEAN WATER AND INFRASTRUCTURE

Alexkor developmental outcome

Reduce poverty. Through its involvement with small and medium enterprises within its host communities and beyond, Alexkor generates jobs and increases income to improve social services and living standards

DPE joint indicators

Industrialisation
investment

Transformation
transforming the structure of the economy, addressing economic concentration and promoting small and medium business

Delivery/capable state
coordinating with other state players to ensure effective outcomes on mandates and the industrialisation/transformation agenda

National Development Plan chapter

11 Social protection

CLEAN WATER AND INFRASTRUCTURE

Alexkor developmental outcome

Alexkor is an employer in labour-intensive sectors

DPE joint indicator

Industrialisation
sector partnership

National Development Plan chapters

5 Environmental sustainability and resilience

6 Inclusive rural economy

11 Social protection

QUALITY EDUCATION

Alexkor developmental outcomes

- Alexkor supports staff's **continuous** personal development, providing educational assistance and bursaries
- External candidates benefit from **internships and learnerships.** Corporate social investment funding is channelled into schools, skills training programmes and education facilities
- In addition, **the company promotes development** of governance bodies' knowledge of economic, environmental and social topics

DPE joint indicator

Delivery/capable state
building staffing and governance capacity and quick response

National Development Plan chapter

9 Improving education and training

GENDER EQUALITY

Alexkor developmental outcomes

- Alexkor **promotes gender equality** and offers business support to priority groups
- **Policies** and **frameworks are in place** to promote, enforce and monitor equality and gender non-discrimination in the workplace. These include work/life balance and flexible working conditions
- **Women's representation** in management, on the board and in the leadership of worker structures is **encouraged**

DPE joint indicator

Transformation
black economic empowerment promotion (black industrialists, women and youth)

National Development Plan chapters

11 Social protection

12 Building safer communities

CLEAN WATER AND SANITATION

Alexkor developmental outcomes

- Funding provided for initiatives in water supply and sanitation and for modern waste management systems that **prevent contamination of water resources**
- **Systems such as slimes water reclaim introduced to reduce the water footprint.** Slimes water reclaim involves collecting and reusing water from slimes dams, which reduces demand for fresh water and minimises environmental impact

DPE joint indicator

Industrialisation
green economy initiatives

National Development Plan chapter

4 Economic infrastructure

DECENT WORK AND ECONOMIC GROWTH

Alexkor developmental outcome

Job creation requires long-term, sustainable investments. Creation of direct jobs is monitored, as is its impact on the generation of indirect jobs

DPE joint indicators

Industrialisation

- sector partnership
- localisation outcomes
- beneficiation
- investment expansion/promotion

Transformation
addressing economic concentration and/or small and medium business promotion

National Development Plan chapter

3 Economy and employment

INDUSTRY, INNOVATION AND INFRASTRUCTURE

Alexkor developmental outcomes

- Alexkor **funding** contributes to access to infrastructure and to the internet
- Alexkor seeks **stakeholder participation** in decision-making for energy planning and infrastructure development
- Small and medium enterprises are included in the **value chains**, with localisation and project development high on the agenda

DPE joint indicators

Delivery/capable state
coordinating with fellow state-owned entities to ensure effective outcomes on mandates and the industrialisation/ transformation agenda

Industrialisation

- sector partnership
- investment expansion/promotion
- integrated delivery: Entities to identify and implement measures to integrate their work with that of other public institutions

National Development Plan chapter

4 Economic infrastructure

REDUCED INEQUALITIES

Alexkor developmental outcomes

- **Transformation objectives** focus on funding support, creation of enabling environments and non-financial support for black-, women- and youth-owned businesses
- **Funding support** for localisation and small businesses
- **Participation** in intercontinental projects and support for supplier development programmes
- **Social investment** includes initiatives to enhance financial literacy
- **Alexkor implements policies and procedures** for assessing and screening environmental and social risks in business lines

DPE joint indicators

Delivery/capable state
coordinating with fellow state-owned entities to ensure effective outcomes on mandates and the industrialisation/transformation agenda

Industrialisation

- sector partnership
- investment expansion/promotion
- integrated delivery: Entities to identify and implement measures to integrate their work with that of other public institutions

National Development Plan chapters

3 Economy and employment

11 Social protection

15 Nation-building and social cohesion

RESPONSIBLE CONSUMPTION AND PRODUCTION

Alexkor developmental outcomes

- Alexkor **adopted frameworks** to ensure its investments cause minimal environmental damage and mitigate potential harmful impact
- **Policies and procedures in place** to assess and screen environmental and social risks in the business
- The integrated report demonstrates **accountability for sustainability**

DPE joint indicators

Industrialisation

- sector partnerships: Masterplans
- localisation outcomes
- beneficiation
- African and global exports
- green economy initiatives

Transformation

- structure of economy: Addressing economic concentration and/or small and medium enterprise promotion
- township economy: Promotion of opportunities in the township economy

National Development Plan chapter

5 Environmental sustainability and resilience

PEACE, JUSTICE AND STRONG INSTITUTIONS

Alexkor developmental outcomes

- Business ethics are non-negotiable and there is **zero tolerance for transgressors**
- Compliance with **laws** and adherence to **anti-corruption** and **fraud prevention policies** are monitored to ensure continuous improvement

DPE joint indicator

Delivery/capable state

- building entity staffing and governance capacity and quick response
- addressing red tape and compliance in internal processes to improve turnaround times
- reviewing legislation, identifying possible reforms to help external users and create more agile institutions

National Development Plan chapters

13 Building a capable and developmental state

14 Fighting corruption

CAPITALS

HUMAN CAPITAL

Capable people are essential in the office and on site. The calibre of the team depends on the ability to attract the right talent and then retain it through offering an environment in which employees can fulfil their personal and professional goals. With Alexkor's limited financial resources, securing and keeping the best skills remain challenges.

NOTEWORTHY IN 2024/25

The resignation of the General Mine Manager, Deon Bowers, and the appointment of the interim General Mine Manager, Wiaan Basson

R2 044 071.96
2023/24: R966 831

investment in staff welfare through human resource development and talent management initiatives, including training, accommodation, travel, meal and other subsistence allowances

DIVERSITY

100%
historically disadvantaged persons in management at Alexkor RMC and 100% at Alexkor group
2023/24: 86%

R36 091 791.77
employee salaries and benefits
2023/24: R41 410 932

36.61%
women in the workforce
2023/24: 94%

INTELLECTUAL CAPITAL

The right culture is key to success and it must be driven from the top through sound management policies and systems and example. The right people in the right positions enables the organisation to implement effectively its business model. This model combines marine and land mining, with the former contracts based on a revenue-sharing model and the latter on the removal of overburden and royalties for the diamonds.

The lack of investment in scarce skills acquisition persisted during 2024/25 due to lack of funds.

RELATIONSHIP CAPITAL

Cordial and mutually beneficial stakeholder relationships are key to the organisation's image and reputation and the retention of its licences to operate.

Alexkor's primary stakeholders are employees, unions, government representative and regulators, shareholder, investors and customers.

NOTEWORTHY IN 2024/25

5.3%
Employee turnover rate is far lower than the industry norm (PSJV: three permanent and 20 temporary engagements and 14 terminations [13 permanent and one temporary])
2023/24: 5.3%

No industrial action, underscoring the health of the relationship with staff and the union. Three quarters of the workforce belong to the National Union of Mineworkers

Strong links across all spheres of government based on regular liaison, consistent compliance and advancement of transformation and developmental goals

Growing contribution to National Development Plan objectives

Continued community engagement on opportunities, infrastructure and services, notwithstanding ongoing service delivery issues that hold the threat of protests

In line with the Skills Development Act 1998 and the 2018 Mining Charter, Alexkor prioritises training and development of both staff and the community.

Community relationships require a balance between mining and socio-economic development. The company contributes to the latter through voluntary donations in line with its donations policy and the implementation of the social and labour plan with Richtersveld Local Municipality.

Local entrepreneurs are supported through training and award of mining contracts.

HIGHLIGHTS DURING 2024/25

R2 044 071.96
invested in employee training and development
2023/24: R2 845 026.19

R1 132 770.17
channelled into corporate social investment
2023/24: R1 020 625.13

R1 075 000
spent on education in the mine community and the region
2023/24: R866 000

SOCIAL AND LABOUR PLAN

Following the expiry of the social and labour plan for the period 2019 to 2023, the organisation issued a request for quotations inviting consultants and service providers to draft a comprehensive plan for 2024 to 2028, covering both land and marine mining activities and including a 'catch-up plan' for the outstanding projects from 2013 to 2018. Letsema Consulting was appointed. At the end of the period under review, the 2024 to 2028 plan was being finalised for submission to the DMRE.

Following consultation with Richtersveld Local Municipality and the DMRE on the backlog from the 2013 to 2018 period, infrastructure projects were realigned for implementation in parallel with projects earmarked for 2024 to 2028.

The following projects and amounts were agreed:

Project	Location	Previous costs	Current costs	Mining right
Asset management for blue and green drop	Port Nolloth	R350 000	R600 000	512
Infrastructure planning repair of dilapidated infrastructure	Port Nolloth	R1 200 000	R1 000 000	513
Development of tourism routes	Port Nolloth	R100 000	R100 000	554
Upgrade of overnight accommodation	Lekkersing	R300 000	R300 000	550
General small, medium and micro enterprise management and development	Port Nolloth	R150 000	R100 000	554
Community education training	Kuboes Sandrift Eksteenfontein	New item added after reallocation of budget	R400 000	550
TOTAL				**R2 500 000**

2023/24: R1 868 531.50

Community support includes funding for funeral services, student registration fees, for the local rugby club, alcohol and substance abuse awareness programme for schools and small, medium and micro enterprise development.

NATURAL RESOURCES CAPITAL

As a mining organisation, Alexkor's activities inevitably have an impact on the environment, hence the strong emphasis on rehabilitation of the land.

As the mining takes place in the water-scarce Northern Cape, the organisation must also adhere to sound water use practices according to its licence, which is in place until January 2035. Alexkor also supplies water to Alexander Bay and Port Nolloth.

Water consumption rose from 1 644 504m^3 in 2023/24 to 1 738 683m^3.

WATER CONSUMPTION (m^3)			
Date	**Total**	**Alexander Bay**	**Port Nolloth**
April 2024	173 072	158 722	14 350
May 2024	133 036	111 226	21 810
June 2024	170 964	154 524	16 440
July 2024	129 884	108 894	20 990
August 2024	140 300	123 140	17 160
September 2024	151 594	136 404	15 190
October 2024	159 094	142 484	16 610
November 2024	126 168	103 478	22 690
December 2024	180 012	155 962	24 050
January 2025	166 801	152 911	13 890
February 2025	83 620	61 090	22 530
March 2025	124 138	105 018	19 120

No serious (levels 3 to 5) environmental incident has occurred in 10 consecutive years.

Energy consumption was 8 542 915kWh. Energy consumption is split into three Eskom accounts — Alexkor, Muisvlak and Rietfontein.

AVERAGE MONTHLY CONSUMPTION (kWh)	2024/25	2023/24
Rietfontein	757.53	9 172
Muisvlak	34 555.03	70 991
Alexander Bay	676 597.06	666 914

Carat volumes plummeted to 7 729.92 carats in the review year, from 23 000 in 2023/24. Witvoorkop, which had produced most of the diamonds in the 18 months to October 2023, has been largely depleted, with a decline to a very low level from December 2023. Marine production was suspended during the winter months due to rough seas.

FINANCIAL CAPITAL

Inadequate funds continued to hamper the organisation's progress during the year, forcing it to rely on ageing assets and delaying much-needed exploration. Work on the mining concessions 4A (shallow-water concession) and 4B (mid-water concession) has yet to start because access is through Kleinsee, where disagreements among concessionaires have led to discord.

Issues involving Vast Mineral Sands (see page 48), Coptra-SA and cofferdams remain unresolved and are before the Supreme Court and Constitutional Court.

Alexkor's property, plant and equipment book value was R301 million at 2024/25 year-end compared to R364 million in 2023/24.

Recruitment of short-term support for procurement and the finance department is crucial and the Chief Financial Officer has provided an action plan to secure this support long term. Additional resources will depend on availability of funds, which will rest on production.

Governance processes are informed by a culture of integrity as the key foundation for effective business performance.

C

SECTION C

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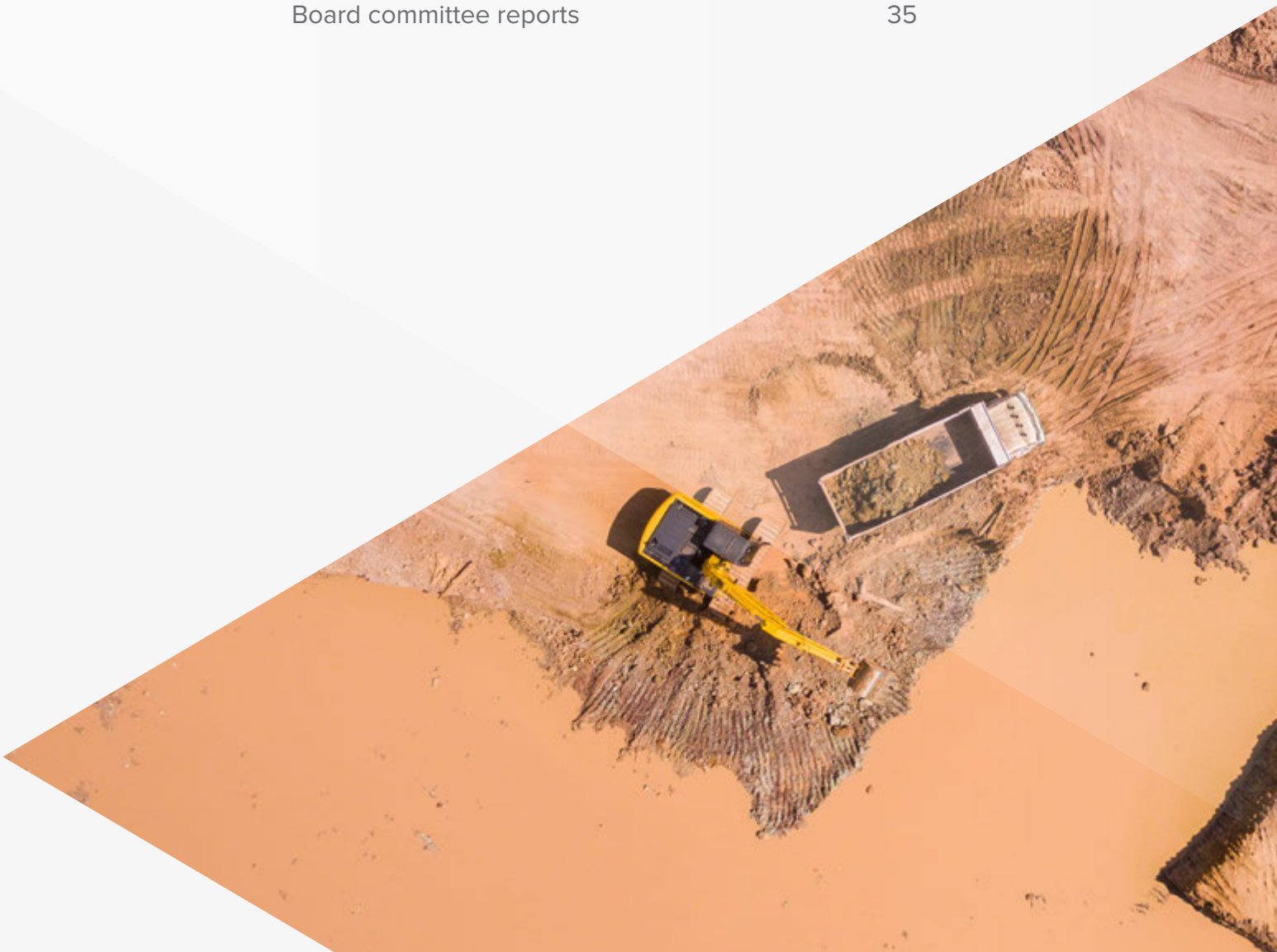

GOVERNANCE

Corporate governance at Alexkor continues to be based on fairness, accountability, responsibility and transparency in accordance with several governance protocols. It is implemented in an integrated way according to King IV. The corporation's value system informs the ethics underpinning the running of Alexkor and the PSJV. The governance processes in place are informed by a culture of integrity as the key foundation for effective business performance. These ethics remains the cornerstone of the company's code of ethics and are the foundation for business dealings.

THE BOARD

The Board ensures good corporate governance practices across the company. During the year under review, there were several changes to Board composition, with five new non-executive directors appointed just before year-end.

Name	Date appointed	Skills	Meetings held	Meetings attended
Prof Trevor Fowler				
Some qualifications	Interim Chief Executive Officer (executive director) from 25/01/2022; appointed non-executive director on 27/03/2025	Governance Strategic leadership Research and policy development	7	7
BSc Civil Engineering (University of Manitoba, Canada 1979				
Registered civil engineer in California (1982 to 1993)				
Executive Financial Management Diploma, University of the Witwatersrand, Business				
Quentin Green				
Some qualifications	Non-executive director from 26/03/2024 to 26/03/2025	Strategic planning for business development Executive management skills Financial management and technical accounting	7	7
Bachelor of Commerce (University of Cape Town)				
Certificate in the Theory of Accountancy (University of the Witwatersrand)				
Executives' Financial Management Programme (University of the Witwatersrand)				
Dr Patricia Hanekom				
Some qualifications	Non-executive director and Board Chairperson from 25/01/2022 to 26/03/2025	Governance Service delivery Strategy and planning	7	7
MSc in Financial Economics (University of London)				
Postgraduate Diploma in Economic Principles (University of London)				
BVMCH (veterinarian) (Medunsa South Africa)				
BSc Operational Management, Statistics and Computer Science (Unisa)				
Karabo Mbele				
Some qualifications	Non-executive director from 25/01/2022 to 26/03/2025	Mentoring Organisational skills Strategy, operations and corporate governance	*7*	*6*
Masters of Business Administration (University of Pretoria) (GIBS)				
Advanced Company Law (University of Witwatersrand)				
Bachelor of Laws (University of East London) (United Kingdom)				

Dineo Peta				
Some qualifications	Non-executive director from 25/01/2022 to 26/03/2025; reappointed non-executive director and Board Chairperson from 27/03/2025	Analytical thinking Problem solving Communication and negotiation	7	7
LLM Environmental Law (University of the Witwatersrand)				
LLB (University of Pretoria)				
Postgraduate Diploma in International Maritime Law (World Maritime University, Sweden)				
Postgraduate Diploma in Drafting and Interpretation of Contracts (University of Johannesburg)				
Prospecting and Mining Law Certificate (University of the Witwatersrand)				
Prof Francis Petersen				
Some qualifications	Non-executive director from 26/03/2024 to 26/03/2025	Strategic leadership Mining and science research and development Executive management skills	7	3
PhD: Engineering (Stellenbosch University)				
Master of Engineering: Metallurgical Engineering (Stellenbosch University)				
Bachelor of Engineering: Chemical Engineering) (Stellenbosch University)				
Freddy Raseote				
Some qualifications	Non-executive director from 27/03/2025	Strategic leadership capability Programme and project management Financial management		
Pastel Accounting (Proforum Limpopo Training Centre)				
Computer literacy (University of Limpopo)				
National School of Government certificate of entry into senior management services				
Hilary Swartbooi				
Some qualifications	Non-executive director from 25/01/2022 to 26/03/2025; reappointed non-executive director from 27/03/2025	Communication Time management Problem solving	7	6
Diploma in Human Resource Management (Business Management College)				
Certificate in Human Resource (Maccauvlei Training Academy)				
Shinduvi Zitha				
Some qualifications	Non-executive director from 27/03/2025 to 01/08/2025 (resigned)	Risk management Open-cast and underground mining Business financial planning and management		
MBA (University of Pretoria — GIBS)				
Postgraduate Diploma in General Management: Business (University of Pretoria — GIBS)				
Bachelor of Science Engineering: Mining (University of the Witwatersrand)				

Directors	Board fees	Annual retainer	Audit and Risk Committee	Social, Ethics and Human Resources Committee	Environmental Rehabilitation and Operations Committee	Rehabilitation Trust	Interviews	Total
Dr Patricia Hanekom	118 800	220 000						**338 800**
Dineo Peta	177 000	122 200	63 600		79 200	13 200	18 360	**473 560**
Karabo Mbele	-	-	-	-	-	-	-	**-**
Hilary Swartbooi	118 800	122 200		47 600				**288 600**
Prof Francis Petersen	52 800	48 880	31 800		47 700			**181 180**
Quentin Green	125 400	122 200	99 000	45 000				**391 600**
	592 800	**635 480**	**194 400**	**92 600**	**126 900**	**13 200**	**18 360**	**167 3740**

Alexkor representatives on PSJV board			
Dr Patricia Hanekom	Chairperson from 25/01/2022 to 26/03/2025	5	5
Dineo Peta	25/01/2022 to 26/03/2025, Chairperson from 27/03/2025 to date	5	5
Prof Francis Petersen	26/03/2024 to 26/03/2025	5	2

BOARD CHARTER

The Board Charter is the blueprint for formal and transparent Board nominations. Skills and experience weigh heavily in candidate selection, as do diversity, Board size and demographics. The charter details the roles and responsibilities of the Board and individual directors. It stipulates that the company will fund independent advice for members to promote their fiduciary knowledge and allow them to perform their duties more effectively.

The charter is reviewed at least annually against the backdrop of the PFMA, Companies Act, as amended, the Alexkor Act, King IV and the company's memorandum of incorporation.

Three Board committees are active, monitoring audit, social and environmental activities. The Audit and Risk Committee report and member details appear on page 53.

KEY ROLES

The Chairperson and CEO perform separate roles laid out in the Board Charter, with the former ensuring Board and Board committee integrity and effectiveness and the CEO managing and running the business through Board-approved strategies and objectives.

The charter also outlines how the Board should operate, the scope of decisions and responsibilities to be delegated to Board committees and the Board committees and to the CEO. No individual nor group has unrestricted powers. The Company Secretary deals with governance and administration of Boards affairs and ensures the efficiency and effectiveness of the Board and its committees. The function provides impartial advice and support to the directors.

Messina Incorporated Attorneys, represented by Lopang Peacock, continued in this role during 2024/25.

SOCIAL, ETHICS AND HUMAN RESOURCES COMMITTEE			
Karabo Mbele	Chairperson from 25/01/2022 to 26/03/2025	3	3
Quentin Green	26/03/2024 to 26/03/2025	3	3
Hilary Swartbooi	25/01/2022 to 26/03/2025; 27/03/2025	3	3
Dr Nico Swartz	27/03/2025 to date		
Dr Johannes (Jonty) Tshipa	Chairperson from 27/03/2025 to date		

This committee monitors the organisation's implementation of workforce wellness, equity, employee relations and social upliftment initiatives. It also ensures that Alexkor's policies and practices are fully compliant with good corporate governance standards and recommendations from external audits. Thus, it plays a significant role in enabling the organisation to create a balanced, supportive and inclusive workplace while contributing to societal wellbeing. Topics of discussion during 2024/25 included the appointment of permanent CEO and CFO, the conversion of temporary employees to permanent, development of facilities for drug testing at Alexkor mine, employee health and wellbeing, the contract extension for the interim General Mine Manager and the number of human resources department vacancies and resignations, indicating challenges in talent sourcing and retention that had left the function understaffed.

The committee released no reports during 2024/25.

ENVIRONMENTAL REHABILITATION AND OPERATIONS COMMITTEE			
Prof Trevor Fowler	27/03/2025 to 30/09/2025; acting Chairperson from 01/10/2025		
Karabo Mbele	25/01/2022 to 26/03/2025	4	4
Dineo Peta	Chairperson from 25/01/2022 to 26/03/2025; member from 27/03/2025 to date	4	4
Prof Francis Petersen	26/03/2024 to 26/03/2025	4	2
Freddy Raseote	27/03/2025 to date		
Dr Nico Swartz	01/10/2025 to date		
Shinduvi Zitha	Chairperson from 27/03/2025 to 01/08/2025		

The committee assists the Board with oversight of Alexkor SOC and guides management's environmental rehabilitation and operations work in line with policies and legislation other important focus areas. During the year, the committee focused on key organisational risks, including contractors ceasing operations without fulfilling their rehabilitation obligations, the procurement of new mining contracts, declining carat production and ongoing litigation against the Department of Forestry, Fisheries and the Environment (DFFE) in the cofferdam mining issue. Also tabled were measures to rectify the structural integrity of Muisvlak plant, testing of a safety management system in processing contractor approvals and obtaining the amended letters of authority for Alexkor Rehabilitation Trust.

No reports were released by this committee during 2024/25.

Performance is measured against targets for financial sustainability, operational excellence, capital projects, socio-economic and environmental impact and governance.

D

PERFORMANCE REPORT 2024/25

Strategic pillar	Weight	Key performance area	Key performance indicator	Unit of measure	2024/25 target	2024/25 actual	Status	Comments	Action plan
Financial sustainability	20	Revenue generation/ enhancement	Rental income collected	%	45%	28%	Not achieved	Tenants not willing to sign lease agreements and refusing to pay rental. No legal action taken to date	Eviction for the first five houses to start in 2025/26
			Earnings before interest, tax, depreciation and amortisation margin (PSJV)	%	7.7%	-23%	Not achieved	Carat production not achieved	Management and Board members are developing a strategic turnaround plan to ensure increase in profitability
			Projects to generate construction materials	% increase in revenue	Feasibility study	None	Not achieved	No funds to start project	This was revised to focus on the current mining activities
Operational excellence	20	Production and efficiency	Land and marine production	Carats	27 000	8 762.42	Not achieved	Due to the decrease in production at Witvoorkop (resource depleted) and the mining difficulties at Kortdoorn area (overburden) The number of land contractors decreased by 35% Cofferdam mining is still on hold The large marine vessel did not produce Inferred resource statement for the land	Revenue-split engagements to begin with land marine and beach contractors in 2025/26 and additional contractors to start commissioning Accessibility to additional marine mining areas far south is at the final stage Tender process for deep-sea and mid-water concessions underway to start in 2025/26 Attract bigger mining vessels to Alexkor to increase production Management is procuring expert services to start process to confirm marine exploration resources

Strategic pillar	Weight	Key performance area	Key performance indicator	Unit of measure	2024/25 target	2024/25 actual	Status	Comments	Action plan
		Safety, regulation, compliance	Fatality	Number	-	-	Achieved	No fatalities recorded	Continued compliance with the Mining Health and Safety Act
			Lost-time-injury-frequency rate	Rate	0.6	0.4	Achieved	Fewer injuries suffered	
		Operational strategy and sustainability	Operational sustainability plan	Report submission plan	31 March 2025	Not achieved		Operational sustainability plan not finalised	Management and Board developing a strategic turnaround plan to ensure operational sustainability
Capital projects/ strategic initiatives	20	Operational sustainability strategy plan	Implement stakeholder requirements	Final report on revised contracting model	30 September 2024	No result	Not achieved		
Sustainable development/ socioeconomic and environmental impact	20	Corporate social investment/ local community development	Agricultural project commissioned	Number of projects commissioned	One project commissioned by 31 March 2025	-	Not achieved		Management and Board members developing a strategic turnaround plan to ensure operational sustainability
		Industrialisation and localisation	Spent on local procurement (Richtersveld area)	% of R amounts spent	20%	5%	Not achieved	Goods and services not available in local Richtersveld area.	Board members developing a strategic turnaround plan to ensure sustainability in local development
		Environment management and sustainability	Compliance to rehabilitation plan	Area (ha) rehabilitated (Arrisdrift, Witvoorkop, Perdevlei)	75ha	17.4594ha	Not achieved	Due to active mining, 75ha cannot be achieved	Revise rehabilitation and own mining plan and continue with concurrent rehabilitation

Strategic pillar	Weight	Key performance area	Key performance indicator	Unit of measure	2024/25 target	2024/25 actual	Status	Comments	Action plan
		Climate change/ energy efficiency initiatives/green energy	Reduction in energy usage (baseline 30 March 2021)	% reduction	5% reduction by 31 March 2025	-	Not achieved		Management and Board members developing a strategic turnaround plan to contribute to energy efficiency initiatives
			Feasibility study on solar power project	Submission date	Environmental impact assessment completed by 31 March 2024		Not achieved	No impact assessments submitted	
			Approved climate change response strategy	% of the recommendations implemented	Submission by 31 March 2024		Not achieved		Await finalised climate change plan from national government Attend all climate change workshops proposed by national, provincial and local government
Governance excellence	20	Audit outcome	Audit outcome	% of the recommendations implemented	80%	Audit not yet started	Audit not yet started	Audit not yet started	Audit improvement plan was implemented with additional resources allocated to improve the audit opinion Draft of annual financial statements was completed on 30 September 2025 and is now ready for audit Internal audit services provider was appointed during September 2025 to address internal control deficiencies in governance, operational and financial controls

Strategic pillar	Weight	Key performance area	Key performance indicator	Unit of measure	2024/25 target	2024/25 actual	Status	Comments	Action plan
		Risk and integrity management framework implementation plan developed	Approved implementation plan	Approved implementation plan developed	Approved implementation plan by 30 September 2024		Not achieved		Internal audit service provider appointed in September 2025 to assist with the development and implementation of the plan

To be truly competitive, the PSJV must create an environment conducive to development of all employees, especially the previously disadvantaged.

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HUMAN RESOURCES

Throughout the review year, the human resources department continued interventions aligned to the company's strategic objectives.

Priorities included employee health and relations, employment equity, recruitment and corporate social investment.

STAFF COMPLEMENT

	31 March 2024	31 March 2025
ALEXKOR RMC JOINT VENTURE		
Permanent employees	127	136
Temporary and casual employees	24	4
Total	**151**	**140**
ALEXKOR SOC		
Permanent employees	6	5
Temporary and casual employees	-	1
Total	**6**	**6**
CONTRACTORS		
Marine contractors – shallow water	277	221
Beach and land mining	293	141
Bedrock mining	72	76
Other	96	116
Total	**738**	**554**

EMPLOYMENT EQUITY

Employment equity remains imperative for the PSJV. To be truly competitive, the operation must create an environment conducive to development of all employees, especially the previously disadvantaged. This philosophy is applied in all recruitment and selection processes and decisions, and programmes are in place to develop and train staff, including talented and qualified black females who will form part of the succession plan. The PSJV is committed to engendering a foundation for sustainable transformation.

Employment equity at 31 March 2025

		Male				Female				
Occupational levels	**Number of incumbents**	**African**	**Indian**	**Coloured**	**White**	**African**	**Indian**	**Coloured**	**White**	**% designated group**
Senior management	4	-	-	2	1	-	-	1	-	75%
Professionally qualified	6	-	-	5	-	1	-	-	-	100%
Skilled	45	1	-	27	4	-	-	11	2	91%
Semi-skilled	71	-	-	41	2	-	-	28	-	97%
Unskilled	10	-	-	3	-	-	-	6	1	100%
TOTAL	**136**	**1**	**-**	**78**	**7**	**1**	**-**	**46**	**3**	**95%**
Temporary employees	4	1	-	2	-	-	-	1	-	100%
TOTAL	**140**	**2**	**-**	**80**	**7**	**1**	**-**	**47**	**3**	**95%**

UNION MEMBERSHIP

National Union of Mineworkers	76%
UASA	3%
Non-affiliates	21%

DISCIPLINARY MATTERS

In separate cases, the Mine Engineer and Junior Mine Engineer were dismissed for serious misconduct. The table below sets out the full list of infringements during the year.

Infringement	Number of cases	Action
Absence without leave	2	Final written warning
Misappropriation of company resources	1	Dismissal
Grievance	1	Verbal warning
Testing positive for alcohol/drugs	1	Final written warning
Gross negligence	1	Dismissal
Fraud	1	Dismissal
Removing property	1	Dismissal

SKILLS DEVELOPMENT

Skills development is an essential element of the employee package. It allows the organisation to remain competitive, abreast of technological developments and ready for future demands through well-trained and capacitated people at all levels of the operation.

A total of **R1 889 271.01** was invested in training in 10 categories:

- Human resources development consulting partnership where a fixed monthly consultation fee was paid (R1.5 million)
- Workplace skills plan consultation fee (R42 700)
- Competency documentation (R46 042)
- Maritime certifications (R13 148)
- Port operations training (R57 869.57)
- Drone operations (R24 750)
- Geological training (R7 626.49)
- Education and training development programme level 5 facilitator course (R7 826.10)
- Accommodation and support (R65 068.60)
- In-house materials (R3 634.60)

No bursary expenditure was recorded for the period.

LEGAL AND COMPLIANCE MATTERS

PL Marine (Pty) Ltd/PSJV/Alexkor SOC Ltd/ Richtersveld Mining Company (Pty) Ltd/Alexander Bay Diamond Company (Pty) Ltd

High Court of South Africa, (Northern Cape Division, Kimberley) – case no2080/2020

PL Marine (Pty) Ltd instituted action against Alexkor and PSJV for R10 960 740.49 for contractual (alternatively, delictual) damages for an alleged loss of income from an unsuccessful diamond sale tender bid.

PL Marine's particulars of claim have been amended twice, in response to which Alexkor has filed notices of exception and of objection and a plea setting out its defence. PL Marine intends to amend its summons again, after which Alexkor can officially plead once more.

Matter is currently in abeyance.

Alexander Bay Diamond Company (Pty) Ltd (previously known as Scarlet Sky Investments 60 (Pty) Ltd/PSJV

High Court of South Africa (Northern Cape Division, Kimberley) – case no 2129/2020

Scarlet Sky Investments (SSI) instituted action against Alexkor and PSJV for R9 397 839.25 for contractual damages (unpaid commission) and a further R238 696 for loss of equipment. The matter has been defended and a plea has been filed.

SSI brought an interlocutory application requesting that Alexkor provide further and better discovery in terms of Rule 35(3). The application was opposed and Alexkor's answering affidavit was served.

As SSI has failed to file a replying affidavit, Alexkor presumes the application will not be taken further.

Alexkor has filed a notice notifying SSI of its intention to amend its plea to include a procurement defence. This stems from incorrect procurement steps during the 2014 and 2016 tenders, which were awarded to SSI. The amendment will include a 'collateral challenge' (review) of the awards in the light of administrative law and the PFMA.

SSI has objected and the application to amend was set down for 14 February 2025.

In line with the practice directive of the Kimberley High Court, heads of argument were filed eight days before the hearing date.

Alexkor SOC Ltd/Richtersveld Mining Company and 13 others

High Court of South Africa (Northern Cape Division, Kimberley) – case no 946/2016

On 2 June 2023, the court handed down judgment that Alviria V Joseph, Ryno D Thomas and Hendrik G de Wee were appointed as RMC board members on the PSJV board and the rule nisi is extended to 26 April 2024.

The rule nisi was further extended and interim order issued to 30 August 2024 to allow Henk Smith and the 12th and 13th respondents to file opposing papers by 1 July 2024.

The 12th respondent filed on 3 July 2024, with Alexkor filing its response on 6 August 2024.

On 30 August 2024, the court postponed the matter to the opposed roll for hearing on 5 September 2025. As a result, the rule nisi and interim order were extended to 5 September 2025 to argue the opposed motion and deal with RMC and restitution entity issues.

The RMC was 'hijacked' and placed under business rescue.

The CPA has briefed Ronald Ligege, of Ligege and Associates Inc, and Advocate Tembeka Ngcukaitobi SC to assist with this matter and with setting aside the appointments of Andre Jonker and Joshua Gerhardus de Wet as RMC directors.

Andre Jonker has voluntarily removed himself as RMC director. Ronald Ligege has not provided further instructions from the CPA.

Alexkor RMC Joint Venture/Canvas Intelligence (Pty) Ltd

High Court of South Africa (Northern Cape Division, Kimberley) – case no 2281/2020

Canvas Intelligence is claiming R934 281.37.

Alexkor will plead that the agreement concluded between Mervyn Carstens and Canvas did not follow PFMA prescripts. It has launched a collateral challenge, requesting the court to declare the agreement unenforceable and set it aside.

The plea amendment and discovery affidavits have been served and filed with the court.

As defendent in the matter, Alexkor will react to the litigation and will wait for Canvas's attorneys to convene a pre-trial conference.

Mervyn Carstens/Alexkor RMC JV/Chitane Soza/ CCMA – suspension award (CM3657)

Labour Court of South Africa, Johannesburg – case no JR2136/2020

Mervyn Carstens obtained a suspension award at the CCMA for R3 200 000. The award was taken on review in the Labour Court and was argued on 18 May 2023.

On 13 February 2024, Judge Mahosi handed down judgment, holding that the suspension was substantively fair, but procedurally unfair, given the inordinate delay between Mervyn Carstens' suspension and his ultimate dismissal from the PSJV. As a result, the judge awarded him three months' compensation — roughly R800 000.

Alexkor has applied for leave to appeal the judgment of procedural unfairness and of compensation, as the judge did not justify the decision, which appears arbitrary given the substantively fair finding.

Mervyn Carstens has not opposed the application for leave to appeal, but the judge is experiencing a backlog of judgment/s. At the end of December 2024, the application had been outstanding for nine months, but judgment was expected during the first quarter of 2025, which will extinguish the Carstens matter.

Mervyn Carstens/Alexkor RMC JV/Chitane Soza/ CCMA – urgent application (CM3697)

Labour Court of South Africa, Johannesburg – case no JR2136/2020

Mervyn Carstens attempted to act on the suspension award, whereupon Alexkor and the PSJV launched an urgent application to stay the enforcement of the award.

The application was successful and the matter is currently inactive. It will revive once the application for leave to appeal has been argued and judgment handed down or when the appeal is adjudicated on.

Mervyn Carstens/Alexkor RMC JV – dismissal application (CM3695)

Commission for Conciliation, Mediation and Arbitration (CCMA), Kimberley – case no NC2039-20

Mervyn Carstens is claiming R3 200 000 for unfair dismissal.

Should Alexkor successfully oppose the referral to the CCMA, the liabilities will fall away.

The arbitration is in abeyance pending the outcome of the appeal in the Labour Appeal Court.

Mervyn Carstens/Alexkor RMC JV – dismissal application (CM3802)

Labour Appeal Court, Johannesburg – Labour Appeal Court case no: J0A07/24

Labour Court case no J1053/21

An application by Alexkor's erstwhile attorneys (Feke-Myeko) to set aside the pre-arbitration minute was argued on 27 June 2023, with judgment handed down on 27 October 2023.

The Labour Court granted leave to appeal, with the appeal set down for hearing on 5 November 2024, at which the Labour Appeal Court requested clarity on the Labour Court's jurisdiction to make a finding for a request for a declarator ordering that the pre-arbitration minute be set aside. It also requested clarity on Commissioner Segotsane's recusal and whether it would affect the rulings already issued by the commissioner during the part-heard arbitration.

The Labour Appeal Court stood the matter down to 30 November 2024 to accommodate further submissions on jurisdiction point and more time to clarify the effects of Segotsane's rulings.

The Labour Appeal Court asked the parties to attempt settlement, but Alexkor Board members found this not to be viable.

Further submissions were filed on 30 November 2024. Judgment is expected during the second quarter of 2025.

Alexkor SOC Ltd/Keami Investments (Pty) Ltd

Regional Magistrate's Court for the Regional Division of Gauteng, Randburg — case no GPRANRC1411/2022

Keami Investments instituted action against Alexkor for payment of R231 597.09 for training services provided by Keami to Alexkor.

The parties attempted to settle the matter, but settlement fell through and the trial was set down for two days during March 2025.

Once the registrar confirms the trial dates, witnesses will be asked to attend voluntarily or be subpoenaed.

Alexkor SOC Ltd/Vast Mineral Sands (Pty) Ltd

Supreme Court of Appeal SCA — case no: 557/2024

Court a quo no: 1452/2023

Vast Mineral Sands issued an urgent application to be granted access to the prospecting area to carry out its prospecting right, granted in 2018. Judgment was granted on 15 September 2023 in Vast Mineral Sands's favour.

As the judgment was ambiguous, it was taken on appeal, with the application for leave to appeal argued on 19 March 2024.

On 24 April 2024, the application was dismissed for reasons Alexkor believes to be unsound in law. Alexkor petitioned the Supreme Court of Appeal.

On 26 July 2024 two judges dismissed the petition, citing no reasonable prospects of success.

Alexkor brought a reconsideration application, which was considered in December 2024 by the judge president, who ordered that it be reconsidered and that the matter be referred to oral argument before a full court of the Supreme Court of Appeal.

Alexkor is compiling the record, which is to be filed on or before 10 April 2025, after which the Supreme Court of Appeal will issue an appeal hearing date.

Alexkor SOC Ltd/Vast Mineral Sands (section 18(3) application (section 18(4)(ii) appeal to the full bench of the Kimberley High Court

Constitutional Court of South Africa — case no CCT292/24

Full court appeal case no CA+R26/24

Court a quo no: 1452/2023

On or about 19 October 2023, Vast Mineral Sands, in light of the leave to appeal application/petition to the Supreme Court of Appeal, served a section 18(3) urgent application requesting the court to enforce immediately the order of 15 September 2023.

The urgent application was opposed and was argued on 19 March 2024. Judgment was granted in Vast Mineral Sands's favour on 24 March 2024, allowing the immediate enforcement of the 15 September 2023 order.

Alexkor appealed this to a full bench of the Kimberley High Court.

The appeal was dismissed on the grounds that the Supreme Court of Appeal needed to decide the merits of the matter before the full bench could make a determination.

In the interim, Vast Mineral Sands can legally prospect.

Alexkor brought an application for leave to appeal before the Constitutional Court, which was opposed, with judgment expected to be handed down by the Constitutional Court in the first term of 2025.

Maatla Diamond Mining (Pty) Ltd – notice of internal appeal

Maatla Diamond Mining (Pty) Ltd was granted a prospecting right to prospect over a mining area in which PSJV holds a mining right. The PSJV brought an internal appeal with the Director-General of the DMPR on 4 November 2024 to set aside the prospecting right given an overlap of territories.

A response is awaited from the regional office.

Alexkor SOC Ltd and PSJV, Department of Forestry, Fisheries and the Environment and two others

High Court of South Africa, Gauteng Division, Pretoria case no 36510/2023

On 30 April 2024, Alexkor served its amended notice of motion and supplementary affidavit on the first respondent. On 20 September 2024, the first respondent served its supplementary answering affidavit. Consultations with Alexkor's legal representatives to finalise the exchange of affidavits were ongoing during the period under review.

The state/Alexkor SOC Ltd, Leilanie Swartbooi and two others

Port Nolloth Magistrate's Court (Northern Cape) — summons no 131/235A

On 17 February 2024, the matter was rolled over to 22 May 2024 to allow for all the accused to be summoned. On 22 May 2024, the matter was postponed to a date to be confirmed by the prosecutor.

On 17July 2024, Alexkor addressed correspondence to the Director of Public Prosecutions requesting that the criminal matter be held in abeyance pending the finalisation of the review application, and received a response from the office of the department confirming that it was consulting with the DFFE and would revert. Alexkor continues to correspond with the attorneys representing Ambicor to ensure that there have been no further developments.

International Mining and Dredging South Africa contract and mining contract

The most recent drafts of the mining agreement have been forwarded to Alexkor to be forwarded and discussed with the International Mining and Dredging South Africa, which is threatening arbitration and/or urgent application action failing resolution. A meeting was scheduled for 2 February 2023 at Trans Hex's offices in Cape Town, at which an undertaking was made to attempt to negotiate a new contract by August 2023. [JL1.1]

DORMANT MATTERS

Alexkor SOC Ltd/Lerato Sachaka

CCMA Johannesburg — case no GATW2302-21

Lerato Sachaka referred Alexkor to the CCMA for unfair dismissal. The CCMA referred the matter to the Labour Court, but Sachaka did not pursue the claim further.

Marco Louw/Alexkor SOC Ltd

High Court of South Africa (Northern Cape Division, Kimberley)

Summons was issued for a CCMA arbitration award for R144 000. The CCMA record was being translated. The matter is currently in abeyance.

Sebastiann Cloete/Alexkor SOC Ltd

CCMA Kimberley – case no NC 239-23

The CCMA advised that the matter is closed and the plaintiff is required to file his application for condonation. Alexkor has been unable to contact the plaintiff's legal representation. The matter is currently in abeyance.

Battery Guy (Pty) Ltd/Alexkor RMC JV/Alexkor SOC Ltd/Richtersveld Mining Company (Pty) Ltd and Alexkor RMC JV/Alexkor SOC Ltd/WJ Business

High Court of South Africa (Northern Cape Division, Kimberley) – case no 288/2021

The matter is settled.

Michelle Adams/Alexkor RMC JV

CCMA, Kimberley – case no NC701-21

The matter is settled.

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The following supplementary information does not form part of the consolidated annual financial statements and is unaudited:

Detailed income statement

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	The group Alexkor was established in terms of the Alexkor Limited Act, No 116 of 1992 and amended by the Alexkor Amendment Act, No 29 of 2001. Alexkor is a listed schedule 2 public entity wholly owned by the government through the Minister of Mineral and Petroleum Resources, being the shareholder representative. The company has two divisions or business units, which are the Alexander Bay Mining (Alexkor RMC joint venture) and the Alexkor corporate unit. The mining division is the core business of the company, exploiting a large land-based diamond resource and extensive diamondiferous marine deposits along the north-west coast of South Africa.
DIRECTORS	Dineo Peta (Chairperson) Hilary Swartbooi
REGISTERED OFFICE 1	Orange Road Alexander Bay Northern Cape 8290
POSTAL ADDRESS	Private Bag X5 Alexander Bay Northern Cape 8290
BANKERS	First National Bank Rand Merchant Bank
AUDITORS	Auditor-General South Africa (AGSA) 4 Daventry Street Lynnwood Bridge Office Park Lynnwood Manor Pretoria 0001
SECRETARY	Messina Inc, represented by Lopang Peacock
COMPANY REGISTRATION NUMBER	1992/006368/30
LEVEL OF ASSURANCE	These annual financial statements have not been audited or independently reviewed.
PREPARER	The consolidated annual financial statements were internally compiled under the supervision of FR Cloete

AUDIT AND RISK COMMITTEE REPORT

We hereby present our report for the financial year ended 31 March 2025.

The Audit and Risk Committee is an independent statutory committee appointed by the shareholder. Further duties are delegated to it by the directors of the group. This report includes both these sets of duties and responsibilities.

MEMBERS OF THE AUDIT AND RISK COMMITTEE

The members of the Audit and Risk Committee are all independent non-executive directors of the group and include:

Name	Changes
Quentin Green (Chairperson)	Appointed on 26 March 2024; term ended on 27 March 2025
Dineo Peta	Appointed on 31 January 2022; reappointed on 27 March 2025
Prof Francis Petersen	Appointed on 26 March 2024; term ended on 27 March 2025
Freddy Raseote	Appointed on 27 March 2025
Dr Jonty Tshipa	Appointed on 27 March 2025
Bongie Ngxishe	Appointed on 27 March 2025

The committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act 71 of 2008 of South Africa and Regulation 42 of the Companies Regulation, 2011.

The Audit and Risk Committee, appointed by the accounting authority in terms of Section 51(1) (a) (ii) and 76 (4) (d) of the PFMA and Treasury Regulations 27.1.3 and 27.1.4 is independent and consists of three independent, non-executive directors.The committee meets at least four times year as per its terms of reference.

STATUTORY DUTIES

The Audit and Risk Committee's role and responsibilities include statutory duties per the Companies Act, 2008 and Public Finance Management Act, 1999, and further responsibilities assigned to it by the directors. The committee executed its duties informed by the King IV guidelines as far as possible.

External auditor appointment and independence

The Audit and Risk Committee is satisfied the external auditor, the Auditor-General of South Africa, is independent of the company, as set out in section 94(8) of the Companies Act 71 of 2008 of South Africa.

The committee ensured that the appointment of the auditor complied with the Companies Act 71 of 2008 of South Africa and any other legislation relating to the appointment of auditors.The committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the 2025 year.

Financial statements and accounting practices

The Audit and Risk Committee has reviewed the accounting policies and the consolidated and separate annual financial statements of the company and is satisfied that they are appropriate and comply with International Financial Reporting Standards.

A process has been established to receive and deal appropriately with any concerns and complaints relating to the reporting practices of the company.

Internal financial controls

The Audit and Risk Committee did not oversee a process where the effectiveness of the company's system of internal control and risk management, including internal financial controls, were assessed. This is because there was no internal audit performed as internal auditors were not appointed during the 2025 financial year. Consequently the Board, the Audit and Risk Committee and executive management exercised additional diligence in their decision-making and reviews of reports.

AUDIT AND RISK COMMITTEE REPORT (CONTINUED)

Whistleblowing
The Audit and Risk Committee receives and deals with any concern or complaints, whether from within or outside the company, relating to the accounting practices and internal audit of the company, the content or auditing of the company's consolidated and separate annual financial statements, the internal financial controls of the company and related matters.

DUTIES ASSIGNED BY THE BOARD
In addition to the statutory duties of the Audit and Risk Committee, as reported above, and in accordance with the provisions of the Companies Act 71 of 2008 of South Africa, the directors have determined further functions for the Audit and Risk Committee to perform, as set out in its terms of reference. These functions include the following:

Integrated reporting and combined assurance
The Audit and Risk Committee fulfils an oversight role regarding the company's integrated report and the reporting process.

It is satisfied that the company has optimised the assurance coverage obtained from management, external assurance providers in accordance with an appropriate combined assurance model.

The Audit and Risk Committee considered the company's operating environment information as disclosed in the integrated report and has assessed its consistency with operational and other information known to its members, and for consistency with the consolidated and separate annual financial statements. The committee is satisfied that the operating environment information is reliable and consistent with the financial results.

Going concern
The Audit and Risk Committee has on an ongoing basis reviewed information, including key assumptions prepared by management, of the going concern status of the company. The directors' statement on the going concern status of the company, as supported by the committee is on pag 57.

Governance of risk
The directors have assigned oversight of the company's risk management function to the Audit and Risk Committee. The chairperson of the Audit and Risk Committee ensures that information relevant to the committee is transferred regularly to the Board. It fulfils an oversight role regarding financial reporting risks, internal financial controls, fraud risk as it relates to financial reporting and information technology risk as it relates to financial reporting.

Internal audit
There was no internal audit function throughout the year due to budgetary constraints. For this reason extra care and diligence was applied by executive management, the Audit and Risk Committee and the Board in reviewing all quarterly reports.

The Audit and Risk Committee endeavours to comply fully with its legal, regulatory or other responsibilities, notwithstanding the severe capacity constraints.

Evaluation of the expertise and experience of financial director and finance function
BDO was seconded to fulfil the role as Chief Financial Officer for the year under review.

The Audit and Risk Committee considered the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of management responsible for the finance function, and is of the view that there are severe capacity constraints. Interventions to address this were discussed with the shareholder during the reporting period.

On behalf of the Audit and Risk Committee

Freddy Raseote
Chairperson of the Audit and Risk Committee

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act 71 of 2008 of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated annual financial statements.

The consolidated 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 judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set 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 group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group 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 have reviewed the group's cash flow forecast for the year to 31 March 2026 and, in light of this review and the current financial position, they are satisfied that the group 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 group's consolidated annual financial statements. The consolidated annual financial statements have been examined by the group's external auditors and their report is presented on pages 59 to 69.

The consolidated annual financial statements set out on page 71 to 118, which have been prepared on the going concern basis, were approved by the board on 30 September 2025 and were signed on their behalf by:

Signed on behalf of the Board of Directors by:

Dineo Peta (Chairperson)
Chairperson

COMPANY SECRETARY'S CERTIFICATION

I certify, in accordance with section 88(2)(e) of the Companies Act of South Africa, that for the year ended 31 March 2025, the group has lodged with the Commissioner of Companies all such returns as are required by a public company in terms of the Act and that all such returns are true, correct and up to date.

Messina Inc, represented by Lopang Peacock
Company Secretary
Tuesday, 30 September 2025

DIRECTORS' REPORT

The directors hereby submit their report on the consolidated annual financial statements of Alexkor SOC Limited and the group for the year ended 31 March 2025.

NATURE OF BUSINESS

The group Alexkor was established in terms of the Alexkor Limited Act, No 116 of 1992 and amended by the Alexkor Amendment Act, No 29 of 2001. Alexkor is a listed schedule 2 public entity wholly owned by the government through the Minister of Mineral and Petroleum Resources, being the shareholder representative. The company has two divisions or business units, which are the Alexander Bay Mining (Alexkor RMC JV) and the Alexkor SOC Limited corporate unit. There were no major changes herein during the year.

AUTHORISED AND ISSUED SHARE CAPITAL

The directors have no authority to issue shares in the group or Alexkor SOC Limited. No changes were approved or made to the authorised or issued share capital of the company during the year under review.

DIVIDENDS

The Board does not recommend the declaration of a dividend for the year.

DIRECTORS	OFFICE		CHANGES
Dineo Peta (Chairperson)	Chairperson	Non-executive	Appointed Chairperson on 27 March 2025
Freddy Raseote	Audit chairperson	Non-executive Independent	Appointed Thursday, 27 March 2025
Hilary Swartbooi		Non-executive Independent	Reappointed Thursday, 27 March 2025
Prof Trevor Fowler	Chairperson: Environmental Rehabilitation and Operations Committee	Non-executive Independent	Appointed Thursday, 27 March 2025
Dr Jonty Tshipa	Chairperson: Social, Ethics and Human Resources Committee	Non-executive Independent	Appointed Thursday, 27 March 2025
Dr Nico Swartz		Non-executive Independent	Appointed Thursday, 27 March 2025
Shinduvi Zitha		Non-executive Independent	Appointed Thursday, 27 March 2025, resigned Friday, 01 August 2025
Bongie Ngxishe		Non-executive Independent	Appointed Thursday, 27 March 2025
Dr Patricia Hanekom (previous chairperson)		Non-executive Independent	Term of office ended on 27 March 2025 (Board reconstituted on 27 March 2025; not reappointed).
Karabo Mbele	Chairperson: Social, Ethics and Human Resources Committee	Non-executive Independent	Term of office ended on 27 March 2025 (Board reconstituted on 27 March 2025; not reappointed).
Quentin Green	Chairperson: ARC	Non-executive Independent	Term of office ended on 27 March 2025 (Board reconstituted on 27 March 2025; not reappointed).
Prof Francis Petersen		Non-executive Independent	Term of office ended on 27 March 2025 (Board reconstituted on 27 March 2025; not reappointed).
Godfrey Mothapo	CEO	Executive	Appointed Monday, 01 September 2025

Changes in responsibilities

Prof Trevor Fowler's fixed-term appointment as Interim Chief Executive Officer concluded on 31 March 2025. Godfrey Mothapo took office as the new Chief Executive Officer, effective from 1 September 2025.

DIRECTORS' INTERESTS IN CONTRACTS

To our knowledge none of the directors had any interest in contracts entered into during the year under review.

INTEREST IN JOINT VENTURES

Alexkor SOC Limited is in a joint venture arrangement with the RMC where the mining operations are undertaken in terms of the Deed of Settlement following the community's land claim. Alexkor holds 51% interest in the PSJV whereas the RMC holds 49% interest in the PSJV. The PSJV is accounted for as a joint operation consistent with the prior year, in accordance with the set accounting policies and standards.

BORROWING POWERS

In terms of the memorandum of incorporation of the company, the directors may exercise all the powers of the company to borrow money, as they consider appropriate.

EVENTS AFTER THE REPORTING PERIOD

All events subsequent to the date of the consolidated and separate annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any other matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

GOING CONCERN

The consolidated annual financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the company will realise its assets and discharge its liabilities in the normal course of business. Alexkor's principal business operation, the PSJV in which the company owns 51% participation interest reported cash and cash equivalents as at 31 March 2025 of R173 million (2024: R219 million).

The current mining right applications once approved shall be valid until 2030 for land mining and 2035 for marine mining. These licences will allow the company to carry on business as a mining company into the foreseeable future. Part of the company's strategic growth measures include entering into business partnership with other big mining companies to unlock mineral deposits in the mid and deep sea waters. New developments in technology will mitigate the challenges faced by marine mining operations during adverse weather conditions and this will significantly increase the production in good quality diamonds.

These annual financial statements do not give effect to any adjustments, which could be material, and which would be necessary should the company be unable to continue as a going concern and, therefore, be required to realise its assets and discharge its liabilities in other than the normal course of business and at amounts different than those reflected in the financial statements

LIQUIDITY AND SOLVENCY

The directors have performed the required liquidity and solvency tests required by section 4 of the Companies Act 71 of 2008 of South Africa.

AUDITORS

Auditor-General of South Africa continued in office as auditors for the group and its subsidiaries for 2025.

SECRETARY

The Company Secretary is Messina Inc, represented by Lopang Peacock.

Business address: 269 Oxford Road
Illovo
Johannesburg
2196

SHAREHOLDER'S COMPACT

A shareholder's compact was signed between the Board and the Executive Authority for the period under review. Performance objectives are captured within the shareholder's compact and are reported against the outcomes quarterly.

The shareholder's compact key performance indicators, which are revised annually by agreement between the Board of Directors and the shareholder representative, serve as the performance monitoring framework for the company. Performance against the shareholder's compact of 2025 financial year targets is outlined in the integrated report.

The consolidated annual financial statements set out on page 71 to 118, which have been prepared on the going concern basis, were approved by the Board on 30 September 2025, and were signed on its behalf by:

Dineo Peta
Chairperson

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON ALEXKOR SOC LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

DISCLAIMER OF OPINION

1. I was engaged to audit the consolidated and separate financial statements of Alexkor SOC Limited and its subsidiaries (the group) set out on pages 71 to 118, which comprise the consolidated and separate statement of financial position as at 31 March 2025, the consolidated and separate statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, as well as notes to the consolidated and separate financial statements, including material accounting policy information.
2. I do not express an opinion on the financial statements of the group. Because of the significance of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated and separate financial statements.

BASIS FOR DISCLAIMER OF OPINION

Going concern

3. I was unable to obtain sufficient and appropriate audit evidence relating to the entity's assertion that the consolidated annual financial statements have been prepared on the basis of accounting principles applicable to a going concern. I was unable to confirm the going concern disclosure by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the going concern disclosure note 25 to the consolidated and separate financial statements.

Property plant and equipment

4. The group did not recognise property, plant and equipment in accordance with International Accounting Standard (IAS) 16: Property, plant and equipment as certain assets could not be located during the asset verification process, resulting in property plant and equipment disclosed in note 2 to the financial statements being overstated by R2 814 151 (2024: R26 718 854) in the consolidated and separate financial statements.
5. Adequate systems were not in place to record assets in accordance with IAS 16: Property plant and equipment. Assets were not fully recorded in the current year. I was unable to determine the full extent of the understatement of property, plant and equipment, stated at R300 599 918 in note 2 to the consolidated and separate financial statements as it was impracticable to do so.
6. I was unable to obtain sufficient appropriate audit evidence that management re-assessed the useful lives of property, plant and equipment due to the status of the accounting records and non-submission of information in support of the re-assessment of useful lives for the property, plant and equipment. I was unable to confirm the re-assessment of useful lives of the property, plant and equipment by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to property, plant and equipment stated at R300 599 918 in note 2 of the consolidated and separate financial statements.
7. I was unable to obtain sufficient appropriate audit evidence that management performed the impairment assessment of property, plant and equipment due to the status of the accounting records and non-submission of information in support of the impairment assessment of useful lives for the property, plant and equipment. I was unable to confirm the impairment of the property, plant and equipment by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to property, plant and equipment stated at R300 599 918 in note 2 of the consolidated and separate financial statements.
8. I was unable to obtain sufficient appropriate audit evidence for the decommissioning and restoration asset due to a lack of proper record keeping. I was unable to confirm the decommissioning and restoration asset by alternative means. Consequently, I was unable to determine whether any further adjustments to the property, plant and equipment stated at R300 599 918 in note 2 of the consolidated and separate financial statements were necessary.

Investment property

9. I was unable to obtain sufficient appropriate audit evidence for investment property disclosed in note 3 to the financial statements due to the status of accounting records. I was unable to confirm the investment property by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to investment property, stated at R211 042 201 (2024: R211 042 201) in note 3 of the consolidated and separate financial statements.

10. During 2024 the group did not recognise Investment property in accordance with IAS 40: Investment property, as certain assets could not be located during the asset verification process, resulting in Investment property disclosed in note 3 to the financial statements being overstated by R42 389 725 in the consolidated and separate financial statements.

11. My audit opinion on the financial statements for the period ended 31 March 2024 was modified accordingly. My opinion on the current year financial statements was also modified because of the possible effect of this matter on the comparability of the finance costs for the current period.

Intangible assets

12. The group did not recognise Intangible assets in accordance with IAS 38: Intangible assets as mining rights were not disclosed in the annual financial statements and the fixed asset register. I was unable to determine the full extent of the understatement of intangible assets stated at R444 744 (2024: R771 352) in note 4 of the consolidated and separate financial statements as it was impracticable to do so.

Deferred tax

13. I was unable to obtain sufficient appropriate audit evidence for deferred tax disclosed in note 32 to the financial statements due to the status of accounting records. I was unable to confirm deferred tax by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to deferred tax, stated at R57 377 050 (2024: R37 110 072) in note 32 of the consolidated and separate financial statements.

Inventory

14. I was unable to obtain sufficient appropriate audit evidence for stores valuation in note 6 to the financial statements due to the status of accounting records. I was unable to confirm stores valuation by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to stores value, stated at 2025: R3 287 996 in note 6 of the consolidated and separate financial statements.

Trade and other receivables

15. I was unable to obtain sufficient appropriate audit evidence for trade and other receivables recorded, including the credit loss allowance for the current year, due to the status of accounting records. I was unable to confirm trade and other receivables by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to trade and other receivables stated at R64 004 810 (2024: R58 617 474) in note 7 and expected credit loss stated at R60 999 (2024: R0) in note 35 of the consolidated and separate financial statements, respectively.

Investments at fair value

16. I was unable to obtain sufficient appropriate audit evidence for Investments at fair value (unit trusts) disclosed in note 8 to the financial statements due to the status of accounting records. I was unable to confirm the investment at fair value by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to Investments at fair value, stated at R94 017 628 and R24 129 458 respectively in note 8 of the consolidated and separate financial statements.

17. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for Investments at fair value. As described in note 24 to the financial statements, the restatement was made to rectify a prior year misstatement, but the restatement could not be substantiated by supporting audit evidence. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the Investment at fair value corresponding figure stated at R85 427 536 and R21 909 959 respectively in the consolidated and separate financial statements.

Provisions

18. The provision for environmental rehabilitation was not measured and recognised in accordance with IAS 37: Provisions, contingent liabilities and contingent assets. The provision was calculated using an incorrect discount rate and methodology. In addition, certain assumptions underpinning the provision could not be assessed for reasonableness. I was unable to determine whether any adjustment was required to the environmental rehabilitation provision of R496 979 543 (2024: R484 658 953) disclosed in note 12 to the consolidated and separate financial statements, as it was impracticable to do so.

19. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for environmental rehabilitation. As described in note 24 to the financial statements, the restatement was made to rectify a prior year misstatement, but the restatement could not be substantiated by supporting audit evidence. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the environmental rehabilitation corresponding figure stated at R484 658 953 in the financial statements.

Trade and other payables

20. Trade and other payables were not recorded as required by IAS 1: Presentation of financial statements. All outstanding amounts meeting the definition of a liability were not recognised in accordance with IAS 1: Presentation of financial statements. Adequate records of outstanding payments for goods and services received but not yet paid at year-end were not maintained, which resulted in trade and other payables being understated by R1 478 322. Additionally, there was a consequential impact on retained income.

21. In addition, I was unable to obtain sufficient appropriate audit evidence for trade and other payables as disclosed in note 11 to the financial statements due to the status of accounting records. I was unable to confirm the trade and other payables by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to Trade and other payables, stated at R72 916 642 (2024: R81 307 569) and R72 870 541 (2024: R81 261 568) respectively in note 11 of the consolidated and separate financial statements.

Current tax payable

22. I was unable to obtain sufficient appropriate audit evidence for current tax payable disclosed in note 33 to the financial statements due to the status of accounting records. I was unable to confirm the current tax payable by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to current tax payable, stated at R24 483 541 (2024: R24 483 541) in note 33 of the consolidated and separate financial statements.

Share capital

23. I was unable to obtain sufficient appropriate audit evidence that share capital was reflected appropriately due to the status of the accounting records to support the balance. I was unable to confirm the share capital by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to share capital stated at R400 000 000 in note 10 of the consolidated and separate financial statements.

Loan to group company

24. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for Loan to group company. As described in note 24 to the financial statements, the restatement was made to rectify a prior year misstatement, but the restatement was not supported by sufficient and appropriate audit evidence. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the loan to group company corresponding figure stated at R0 (2024: R52 015 518) respectively in note 24 of the consolidated and separate financial statements.

Revenue

25. I was unable to obtain sufficient appropriate audit evidence that revenue for the current year had been properly accounted for, due to the poor status of accounting records. I was unable to confirm these revenue transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to revenue stated at R132 675 788 (2024: R564 170 851) as disclosed in note 13 of the consolidated and separate financial statements.

Other operating expenses

26. Other operating expenses were not recorded as required by IAS 1: Presentation of financial statements. Expenses transactions were recorded at incorrect amounts which resulted in other operating expenses disclosed in note 35 to the financial statements being understated by R1 440 328 in the consolidated and separate financial statements.

27. In addition, I was unable to obtain sufficient appropriate audit evidence that operating expenses for the current year had been properly accounted for, due to the status of the accounting records. I was unable to confirm whether all the operating expenses were recorded by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to operating expenses stated at R168 741 265 and R167 558 848 respectively in the consolidated and separate financial statements.

Taxation

28. I was unable to obtain sufficient appropriate audit evidence for taxation disclosed in note 37 to the financial statements due to the status of accounting records. I was unable to confirm the taxation by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to taxation, stated at R20 266 978 (2024: R93 796 708) in note 37 of the consolidated and separate financial statements.

Other operating gains (losses)

29. I was unable to obtain sufficient appropriate audit evidence for other operating gains (losses) disclosed in note 34 to the financial statements due to the status of accounting records. I was unable to confirm the other operating gains (losses) by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to other operating gains (losses), stated at R0 (2024: R36 529 744) in note 34 of the consolidated and separate financial statements.

Other non-operating gains (losses)

30. I was unable to obtain sufficient appropriate audit evidence for other non-operating gains (losses) due to lack of proper record keeping. I was unable to confirm other non-operating gains (losses) by alternative means. Consequently, I was unable to determine whether any adjustment was necessary

to the other non-operating gains (losses) stated at R0 (2024: R79 552 063) in note 36 of the consolidated and separate financial statements.

Finance costs

31. During 2024 the group entity did not recognise finance costs in accordance with IAS 1: Presentation of financial statements. Transactions relating to prior periods were recorded in the 2024 period, which resulted in finance costs disclosed in note 19 to the consolidated and separate financial statements being overstated by R7 969 320. There was a consequential impact on the prior year comparative as well as current year retained income.

32. My audit opinion on the financial statements for the period ended 31 March 2024 was modified accordingly. My opinion on the current year financial statements was also modified because of the possible effect of this matter on the comparability of the finance costs for the current period.

Cash flow from operating activities

33. The group did not correctly prepare and disclose the net cash flows from operating activities as required by IAS 7: Statement of cash flows. This was due to multiple errors in determining cash flows from operating activities. I was not able to determine the full extent of the errors in the net cash flows from operating activities as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments were necessary to cash flows from operating activities, stated at -R25 417 349 (2024: R81 990 962) and -R25 417 348 (2024: R81 795 094) respectively in the consolidated and separate financial statements.

Cash flow from Investing activities

34. During 2024, the group did not correctly prepare and disclose the net cash flows from investing activities as required by IAS 7: Statement of cash flows. This was due to multiple errors in determining cash flows from investing activities. I was not able to determine the full extent of the errors in the net cash flows from investing activities, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from investing activities as stated at R21 717 173 and R8 052 407 in the consolidated and separate financial statements, respectively, were necessary.

35. My audit opinion on the financial statements for the period ended 31 March 2024 was modified accordingly. My opinion on the current year financial statements was also modified because of the possible effect of this matter on the comparability of the net cash flow from investing activities for the current period.

Cash flow from financing activities

36. During 2024, the group did not correctly prepare and disclose the net cash flows from financing activities as required by IAS 7: Statement of cash flows. This was due to multiple errors in determining cash flows from financing activities. I was not able to determine the full extent of the errors in the net cash flows from financing activities, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from financing activities as stated at R152 487 267 and R162 306 922 in the consolidated and separate financial statements, respectively, were necessary.

37. My audit opinion on the financial statements for the period ended 31 March 2024 was modified accordingly. My opinion on the current year financial statements was also modified because of the possible effect of this matter on the comparability of the net cash flow from financing activities for the current period.

Prior period error

38. Not all prior period errors were disclosed in note 24 to the financial statements, as required by IAS 8: Accounting policies, changes in accounting estimates and errors. The nature and the amount of the correction for some financial statement items affected, and the amount of the correction at the beginning of the earliest previous period were not disclosed. I was unable to determine the full extent of the prior period note that occurred during the financial year as it was impracticable to do so.

39. In addition, I was unable to obtain sufficient appropriate audit evidence for those prior period errors disclosed in note 24 to the financial statements, as the supporting information was not provided. I was unable to confirm these disclosures by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the prior period errors disclosed in the financial statements.

Financial instruments and risk management

40. The group did not disclose financial instruments correctly in accordance with IFRS 7, Financial instruments. Categories of financial instruments were not disclosed and there were deficiencies relating to the non-disclosure of sensitivity analysis information and the contractual maturity analysis, resulting in the financial instruments disclosure note being misstated. I was unable to determine the full extent of the prior period note that occurred during the financial year as it was impracticable to do so.

41. I was unable to obtain sufficient appropriate audit evidence for the financial instruments and risk management due to a lack of proper recordkeeping. I was unable to confirm the financial instruments and risk management by alternative means. Consequently, I was unable to determine whether any further adjustments to the financial instruments as disclosed in note 28 of the consolidated and separate financial statements were necessary.

Related parties

42. The group did not disclose all related parties in accordance with IAS 24: Related party disclosures. Key management personnel were not included in the related party disclosure note. Furthermore, the entity did not establish an accounting policy for related parties as required by IAS 1: Presentation of financial statements. Consequently, related parties (related party balances) in note 22 to the consolidated and separate financial statements was understated. I was unable to determine the full extent of the prior period note that occurred during the financial year as it was impracticable to do.

43. I was unable to obtain sufficient appropriate audit evidence for the related parties due to a lack of proper record keeping. I was unable to confirm the related parties by alternative means. Consequently, I was unable to determine whether any further adjustments to the related parties as disclosed in note 22 of the consolidated and separate financial statements were necessary.

Director's and prescribed officers' emoluments

44. I was unable to obtain sufficient appropriate audit evidence for the directors and prescribed officers emoluments due to a lack of proper record keeping. I was unable to confirm the directors and prescribed officers' emoluments by alternative means. Consequently, I was unable to determine whether any further adjustments to the directors and prescribed officers' emoluments as disclosed in note 23 of the consolidated and separate financial statements were necessary.

Irregular expenditure

45. Irregular expenditure transactions were recorded at incorrect amounts, which resulted in irregular expenditure transactions disclosed in note 27 to the financial statements being overstated by R11 488 651 in the consolidated and separate financial statements.

46. Not all irregular expenditure incurred during the current financial year under audit and related information on irregular expenditure was included in the notes to the financial statements, as required by section 55(2)(b)(i) of the Public Finance Management Act 1 of 1999 (PFMA). Expenditure was incurred in contravention of the supply chain management requirements, resulting in irregular expenditure. I was unable to determine the full extent of the irregular expenditure that occurred during the financial year as it was impracticable to do so.

Fruitless and wasteful expenditure

47. I was unable to obtain sufficient appropriate audit evidence for fruitless and wasteful expenditure due to a lack of proper recordkeeping. I was unable to confirm the fruitless and wasteful expenditure by alternative means. Consequently, I was unable to determine whether any further adjustments to the fruitless and wasteful expenditure as disclosed in note 26 stated at R3 452 347 of the consolidated and separate financial statements were necessary.

48. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for fruitless and wasteful expenditure. As described in note 24 to the financial statements, the restatement was made to rectify a prior year misstatement, but the restatement could not be substantiated by supporting audit evidence. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the fruitless and wasteful expenditure corresponding figure stated at R15 384 258 in note 26 of the consolidated and separate financial statements.

Contingent liabilities

49. An item not meeting the definition of a contingent liability as required by IAS: 37 Provisions, contingent liabilities and contingent assets was incorrectly included in the disclosure note. Consequently, I was unable to determine whether any adjustment was necessary to contingent liabilities as disclosed in note 21 of the consolidated and separate financial statements, as it was impracticable to do so.

Events after the reporting period

50. The group did not disclose all events after reporting date as required by IAS 10: Events after the reporting period. I was unable to determine the full extent of misstatement in the consolidated and separate financial statements, as it was impracticable to do so.

OTHER MATTERS

51. I draw attention to the matter below. My opinion is not modified in respect of this matter.

52. I was unable to determine whether the board responsible for the governance of the Pooling Shared Joint Venture (PSJV) had effectively discharged its oversight responsibilities in accordance with the founding documents during the financial period under review, as insufficient records of PSJV board activities were not made available for audit. Consequently, I could not establish whether the PSJV operated within an effective governance, oversight, and decision-making framework. The absence of evidence of board oversight and review represents a significant weakness in governance and internal control and undermines the reliability of the financial information generated by the PSJV. In this context, I was unable to confirm whether the underlying PSJV financial records provided by management and used in the preparation of the Alexkor SOC Limited annual financial statements, were subject to review or approval by the PSJV board prior to their inclusion in the Alexkor annual financial statements.

Responsibilities of the accounting authority for the consolidated and separate financial statements

53. The accounting authority is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the International Financial Reporting Standards and the requirements of the PFMA; and for such internal control as the accounting authority determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

54. In preparing the consolidated and separate financial statements, the accounting authority is responsible for assessing the group's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the consolidated and separate financial statements

55. My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

56. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report. This description, which is located at page 69, forms part of my auditor's report.

REPORT ON THE ANNUAL PERFORMANCE REPORT

57. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof; I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected objectives presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

58. I selected the following objectives presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected objectives that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

OBJECTIVES	PAGE NUMBER	PURPOSE
Financial sustainability	38	Revenue generation enhancement
Operational excellence	38	Productivity and efficiency

59. I evaluated the reported performance information for the selected objectives against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

60. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated

- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over or underachievement of targets.

61. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

62. I did not identify any material findings on the reported performance information for the operational excellence objective.

63. The material findings on the reported performance information for the selected objective are as follows:

Financial sustainability

64. I could not determine if the reported achievements were correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

FINANCIAL SUSTAINABILITY	TARGET	REPORTED ACHIEVEMENT
Rental income collected	6.70%	-23%
Earnings before interest, tax, depreciation and amortisation margin	35%	28%

OTHER MATTER

I draw attention to the matter below.

Achievement of planned targets

65. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievements and measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

Material misstatements

66. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for financial sustainability. Management did not correct the misstatements, and I reported material findings in this regard.

REPORT ON COMPLIANCE WITH LEGISLATION

67. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the entity's compliance with legislation.

68. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa. This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

69. Through an established Auditor-General of South Africa process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

70. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

71. Financial statements were not submitted for auditing within the prescribed period after the end of financial year, as required by section 55(1)(c)(i) of the PFMA.

72. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1) (a) and (b) of the PFMA.

    Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records were not provided, which resulted in the financial statements receiving a disclaimer of opinion.

Strategic planning

73. The corporate plan submitted to the director-general of Department of Mineral and Petroleum Resources designated by the executive authority did not include the affairs of the Alexkor Trust subsidiary as required by section 52(b) of the PFMA.

Procurement and contract management

74. I was unable to obtain sufficient appropriate audit evidence that all quotations were awarded in accordance with the legislative requirements as no supporting documents were provided for audit.

75. Some of the services were not procured through a procurement process that is fair, equitable, transparent and competitive, as required by section 51(1)(a)(iii) of the PFMA. Similar non-compliance was also reported in the prior year.

Oversight and governance

76. Approved audited financial statements were not filed with the annual return, as required by section 33(1)(a) of the Companies Act 71 of 2008 and 30(2) of the Companies Regulation.

Revenue management

77. Effective and appropriate steps were not taken to collect all revenue due, as required by section 51(1)(b)(i) of the PFMA.

Asset management

78. I was unable to obtain sufficient appropriate audit evidence that significant assets were disposed of with approval by the executive authority, in contravention of section 54(2)(d) of the PFMA.

Expenditure management

79. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 51(1)(b)(ii) of the PFMA. As reported in the basis for the disclaimer of opinion the full extent of the irregular expenditure could not be quantified. The majority of the irregular expenditure disclosed in the financial statements was caused by non-compliance with PFMA.

80. Effective steps were not taken to prevent fruitless and wasteful expenditure, as required by section 51(1) (b) (ii) of the PFMA. As reported in the basis for disclaimer of opinion full extent of the fruitless and wasteful expenditure could not be quantified. The majority of the fruitless and wasteful expenditure disclosed in the financial statements was caused by late payments by the public entity.

81. I was unable to obtain sufficient appropriate audit evidence that the resources of the Alexkor SOC Limited were utilised effectively, efficiently, economically, transparently, as required by section 57(b) of the PFMA.

Consequence management

82. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 51(1)(e)(iii) of the PFMA. This was because investigations into irregular expenditure were not performed.

83. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 51(1)(e)(iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.

OTHER INFORMATION IN THE ANNUAL REPORT

84. The accounting authority is responsible for the other information included in the annual report which includes the directors' report, the Audit and Risk Committee's report and the company secretary's certificate, as required by the Companies Act. The other information referred to does not include the consolidated and separate financial statements, the auditor's report and those selected material indicators in the scoped-in objectives presented in the annual performance report that have been specifically reported on in this auditor's report.

85. My opinion on the consolidated and separate financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

86. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated and separate financial statements and the selected material indicators in the scoped-in objectives presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

87. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

88. I considered internal control relevant to my audit of the consolidated and separate financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

89. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the disclaimer of opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

90. The accounting authority and management did not exercise adequate and effective oversight over financial reporting, performance reporting, compliance and the system of internal controls. This is evidenced by the recurrence of audit findings across multiple reporting areas, indicating that previously identified deficiencies were not appropriately monitored, challenged and resolved.

91. Governance structures, including the Audit and Risk Committee, did not provide sufficient oversight to ensure that management implemented corrective actions, resulting in a weak control environment.

92. Management did not implement proper recordkeeping in a timely manner to ensure that complete, relevant, and accurate information is accessible and available to support financial and performance reporting.

93. Management did not implement controls over daily and monthly processing and reconciling of transactions. Management did also not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

94. The accounting authority and management did not exercise adequate oversight and monitoring over controls relating to compliance with laws and regulations, which resulted in instances of non-compliance with applicable legislative requirements

95. Management did not design and implement formal controls to address the systems of collecting, verifying, and storing the information as well as to plan, manage and report on the financial information of the controlled entities. This is evidenced by the lack of the records at Alexkor RMC Joint Venture, which is an unincorporated entity.

96. There was no fully established internal audit function during the reporting period, reportedly due to capacity constraints. The absence of this function reflects a failure by management and the accounting authority to ensure that an adequately resourced and effective internal audit function was in place, as required to support sound governance and internal control. Furthermore, the lack of an independent internal assurance function to assess and evaluate the effectiveness of internal controls and financial reporting processes materially impaired the Audit and Risk Committee's ability to discharge its statutory, governance and oversight responsibilities. As a result, the Audit and Risk Committee was constrained in providing effective oversight and drive accountability, which contributed to the continued existence of control deficiencies, material misstatements and non-compliance to applicable legislation.

97. Due to information that could not be retrieved, the limitations from previous years still had an impact on the current year records. This is informed by the loss of historic knowledge and limited capacity, as well as time, to resuscitate the records. This affected the current year audit opinion adversely.

98. The internal capacity of the group was limited, which adversely affected its ability to effectively design, implement, and sustain adequate internal controls and governance structures.

99. The absence of effective monitoring and oversight over implementation of audit action plans increases the risk that control deficiencies and audit findings remain unresolved, leading to the recurrence of findings, including material misstatements and governance weaknesses.

OTHER REPORTS

100. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the consolidated and separate financial statements or my findings on the reported performance information or compliance with legislation.

101. The SIU is currently investigating irregularities that took place in the previous years in line with the Zondo Commission's recommendation. At the time of this report, the investigation was still ongoing.

Pretoria
20 May 2025

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

Professional judgments and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout my audit of the consolidated and separate financial statements and the procedures performed on reported performance information for selected material performance indicators and on the entity's compliance with selected requirements in key legislation.

Consolidated and separate financial statements

In addition to my responsibility for the audit of the consolidated and separate financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the consolidated and separate 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 my 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 public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated and separate financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity and its subsidiaries to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated and separate financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. I am responsible for the direction, supervision and review of audit work performed for purposes of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements for the current period and are therefore key audit matters. I describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

LEGISLATION	SECTIONS OR REGULATIONS
Public Finance Management Act 1 of 1999	Section 50(3); 50(3)(a); 50(3)(b); 51(1)(a)(ii); 51(1)(a)(iii); 51(1)(b)(i); 51(1)(b)(ii); 52(b); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 57(d); 66(3)(a)
Treasury Regulations, 2005	Regulation 29.1.1; 29.1.1(a); 29.1.1(c); 29.2.1; 29.2.2; 29.3.1; 31.2.5; 31.2.7(a); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 30(3)(b)(i); 33(1)(a); 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c); 72(4)(a); 75(6); 86(1); 86(4); 88(2)(d); 112(2)(a); 129(7)
Companies Act Regulations, 2011	Regulation 30(2); 43(2)(a)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
National Treasury Instruction No 4 of 2015/16	Paragraph 3.4
National Treasury Instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second Amendment National Treasury Instruction No 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No 5 of 2020/21	Paragraph 2
National Treasury Supply Chain Management Instruction No 03 of 2021/22	Paragraph 4.2
National Treasury Supply Chain Management Instruction No 11 of 2020/21	Paragraph 3.1; 3.4(b); 3.9
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Paragraph 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combatting of Corrupt Activities Act 12 of 2004	Section 34(1)

STATEMENT OF FINANCIAL POSITION

at 31 March 2025

		GROUP		COMPANY	
Figures in Rand	Notes	2025	2024 Restated*	2025	2024 Restated*
Assets					
Non-current assets					
Property, plant and equipment	2	300 599 918	363 533 166	300 599 918	363 533 166
Investment property	3	211 042 201	211 042 201	211 042 201	211 042 201
Intangible assets	4	444 744	771 352	444 744	771 352
Investments in subsidiaries	5	-	-	266 642 238	245 114 128
Deferred tax	32	57 377 050	37 110 072	57 377 050	37 110 072
		569 463 913	**612 456 791**	**836 106 151**	**857 570 919**
Current assets					
Inventories	6	10 603 987	20 156 834	10 603 987	20 156 834
Trade and other receivables	7	64 004 810	58 617 474	64 004 810	58 617 474
Investments at fair value	8	94 017 628	85 427 536	24 129 458	21 909 959
Prepayments		167 870	155 314	167 870	155 314
Cash and cash equivalents	9	376 387 542	413 096 006	179 587 474	231 453 454
		545 181 837	**577 453 164**	**278 493 599**	**332 293 035**
Total assets		**1 114 645 750**	1 189 909 955	**1 114 599 750**	1 189 863 954
Equity and liabilities					
Equity					
Share capital	10	400 000 000	400 000 000	400 000 000	400 000 000
Retained income		113 167 348	182 741 065	113 167 349	182 741 065
		513 167 348	**582 741 065**	**513 167 349**	**582 741 065**
Liabilities					
Non-current liabilities					
Lease liabilities	30	83 601	83 601	83 601	83 601
Provisions	12	496 979 543	484 658 953	496 979 543	484 658 953
		497 063 144	**484 742 554**	**497 063 144**	**484 742 554**
Current liabilities					
Trade and other payables	11	72 916 542	81 307 569	72 870 541	81 261 568
Current tax payable	33	24 483 541	24 483 541	24 483 541	24 483 541
Provisions	12	7 015 175	16 635 226	7 015 175	16 635 226
		104 415 258	**122 426 336**	**104 369 257**	**122 380 335**
Total liabilities		**601 478 402**	607 168 890	**601 432 401**	607 122 889
Total equity and liabilities		**1 114 645 750**	1 189 909 955	**1 114 599 750**	1 189 863 954

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

at 31 March 2025

		GROUP		COMPANY	
Figures in Rand	Notes	2025	2024 Restated*	2025	2024 Restated*
Revenue	13	132 675 788	564 170 851	132 675 788	564 170 851
Cost of sales	14	(81 466 448)	(456 278 710)	(81 466 448)	(456 278 710)
Gross profit		**51 209 340**	**107 892 141**	**51 209 340**	**107 892 141**
Other operating income	15	2 898 110	5 782 060	2 898 110	5 782 060
Other operating gains (losses)	34	-	(36 529 744)	-	(36 529 744)
Movement in credit loss allowances	35	(60 999)	-	(60 999)	-
Other operating expenses		(168 741 265)	(191 330 093)	(167 558 848)	(191 330 093)
Operating (loss) profit	35	**(114 694 814)**	**(114 185 636)**	**(113 512 397)**	**(114 185 636)**
Investment income	16	40 558 097	37 667 261	39 375 681	37 667 261
Finance costs	17	(15 703 978)	(15 367 970)	(15 703 978)	(15 367 970)
Other non-operating gains (losses)	36	-	79 552 063	-	79 552 063
(Loss) profit before taxation		**(89 840 695)**	**(12 334 282)**	**(89 840 694)**	**(12 334 282)**
Taxation	37	20 266 978	93 796 708	20 266 978	93 796 708
Total comprehensive (loss) income for the year		**(69 573 717)**	**81 462 426**	**(69 573 716)**	**81 462 426**

STATEMENT OF CHANGES IN EQUITY

at 31 March 2025

	Note(s)	ISSUED CAPITAL	RETAINED INCOME	TOTAL EQUITY
GROUP	10			
Opening balance as previously reported				
Adjustments		400 000 000	54 557 375	454 557 375
Prior-year adjustments		-	46 721 264	46 721 264
Restated* balance at 01 April 2023		400 000 000	101 278 639	501 278 639
Total comprehensive income for the year		-	81 462 426	81 462 426
Balance at 01 April 2024		400 000 000	182 741 065	582 741 065
Total comprehensive Loss for the year		-	(69 573 717)	(69 573 717)
Balance at 31 March 2025		400 000 000	113 167 348	513 167 348
COMPANY	10			
Opening balance as previously reported				
Adjustments		400 000 000	137 831 533	537 831 533
Prior-year adjustments		-	(36 552 894)	(36 552 894)
Restated* balance at 01 April 2023 as restated		400 000 000	101 278 639	501 278 639
Total comprehensive income for the year		-	81 462 426	81 462 426
Balance at 01 April 2024		400 000 000	182 741 065	582 741 065
Total comprehensive loss for the year		-	(69 573 716)	(69 573 716)
Balance at 31 March 2025		400 000 000	113 167 349	513 167 349

STATEMENT OF CASH FLOWS

at 31 March 2025

Figures in Rand	Notes	GROUP 2025	GROUP 2024 Restated*	COMPANY 2025	COMPANY 2024 Restated*
Cash flows from operating activities					
Cash receipts from customers		130 186 562	584 007 244	584 007 244	584 007 244
Cash paid to suppliers and employees		(180 887 608)	(531 539 969)	(179 705 191)	(531 735 837)
Cash generated from/(used in) operations		(50 701 046)	52 467 275	(49 518 629)	52 271 407
Interest income		40 987 675	37 667 261	39 805 259	37 667 261
Finance costs		(15 703 978)	(8 143 574)	(15 703 978)	(8 143 574)
Net cash from operating activities		**(25 417 349)**	**81 990 962**	**(25 417 348)**	**81 795 094**
Cash flows from investing activities					
Purchase of property, plant and equipment		(3 105 306)	(3 658 105)	(3 105 306)	(3 658 105)
Proceeds from sale of property, plant and equipment		23 909	-	23 909	-
Purchases of intangible assets		(128 371)	-	(128 371)	-
Increase in investments		569 743	1 267 098	(20 958 367)	(18 903 097)
Cash receipts on repayments of loans to group companies		-	30 893 204	-	31 658 813
Cash receipts on repayments of loans to shareholders		(60 999)	-	(60 999)	-
Purchases of investments at fair value		(8 590 092)	(6 785 024)	(2 219 499)	(1 045 204)
Net cash from investing activities		**(11 291 116)**	**21 717 173**	**(26 448 633)**	**8 052 407**
Cash flows from financing activities					
Total cash movement for the year		(36 708 465)	103 708 135	(51 865 981)	89 847 501
Cash and cash equivalents at the beginning of the year		413 096 006	309 387 871	231 453 454	141 605 953
Cash and cash equivalents at the end of the year		**376 387 541**	**413 096 006**	**179 587 473**	**231 453 454**

ACCOUNTING POLICIES

1. GENERAL INFORMATION

Alexkor SOC Limited Consolidated ('the company') and its subsidiaries (together, 'the group') was established in terms of the Alexkor Limited Act, No 116 of 1992 and amended by the Alexkor Amendment Act, No 29 of 2001. Alexkor SOC Limited is a listed schedule 2 public entity wholly owned by the government through the Minister of Mineral and Petroleum Resources, being the shareholder representative. The company has two divisions or business units, which are the Alexander Bay Mining (Alexkor RMC JV) and the Alexkor SOC Limited corporate unit.

The company is incorporated as a public company and domiciled in South Africa. The address of its registered office is 1 Orange Road, Alexander Bay, Northern Cape, 8290.

1.1 BASIS OF PREPARATION

The consolidated and separate consolidated annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards and Companies Act 71 0f 2008 of South Africa. The consolidated and separate annual financial statements have been prepared under the historical cost convention.

The preparation of consolidated and separate consolidated annual financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated and separate annual financial statements are disclosed in note 3.

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These accounting policies are consistent with the previous period.

1.2 CONSOLIDATION

BASIS OF CONSOLIDATION

The consolidated annual financial statements incorporate the consolidated annual financial statements of the company and all subsidiaries. Subsidiaries are entities which are controlled by the group.

The results of subsidiaries are included in the consolidated annual financial statements from the date of obtaining control until the date that control is lost.

The accounting policies of all subsidiaries are the same as those of the parent.

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

Non-controlling interests in the net assets of subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

1.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENT/S

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

INCOME TAXES

The group is subject to income taxes in South Africa. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that

were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

REHABILITATION AND DECOMMISSIONING PROVISIONS:

Key sources of estimation uncertainty include (i) forecast costs of dismantling and site restoration, (ii) the expected timing of cash outflows, (iii) discount rates and cost inflation assumptions, (iv) methods of rehabilitation and regulatory requirements, and (v) the useful lives of related assets. Sensitivities to discount rate and inflation are disclosed where material.

CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES

JOINT ARRANGEMENTS

Alexkor holds 51% interest of its joint arrangement. The group has joint control over this arrangement as under the contractual agreements, unanimous consent is required from all parties to the agreements for all relevant activities.

The group's joint arrangement is structured as an unincorporated joint venture and provides the group's and the parties to the agreements with rights to the assets, liabilities, revenue and expenses of the unincorporated entity under the arrangements. Therefore, this arrangement is classified as a joint operation of the group.

1.4 INVESTMENT PROPERTY

DEFINITION

Investment property is property (land or a building—or part of a building—or both) held by the entity to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for administrative purposes; or
- sale in the ordinary course of business.

RECOGNITION

Investment property is recognised as an asset when:

- it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and
- the cost of the investment property can be measured reliably.

Subsequent to initial measurement, investment property is measured at fair value, with changes in fair value recognised in profit or loss in the period in which it arises.

Gains or losses arising from a change in fair value, as well as gains or losses on disposal of investment property are included in profit or loss for the period in which they arise.

1.5 PROPERTY, PLANT AND EQUIPMENT

DEFINITION

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- are expected to be used during more than one period.

RECOGNITION

Property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

INITIAL MEASUREMENT

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost.

The cost of an item of property, plant and equipment includes:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

When such obligations exist, the group recognises a corresponding provision measured at the present value of the expected future cash flows in accordance with IAS 37

1.5 PROPERTY, PLANT AND EQUIPMENT (continued)

DECOMMISSIONING AND RESTORATION ASSETS:

- The initial estimate of dismantling, removal and site restoration costs is capitalised to the related asset and a corresponding provision is recognised in accordance with IAS 37.
- Subsequent changes in the decommissioning, restoration and similar liability arising from changes in the expected timing or amount of cash outflows, or from changes in the discount rate, are accounted for as follows (IFRIC 1.5–7):
  a. Changes in the liability are added to, or deducted from, the carrying amount of the related asset in the current period.
  b. The amount deducted from the asset shall not reduce its carrying amount below zero. Any excess decrease in the liability is recognised immediately in profit or loss.
  c. If an adjustment increases the asset's carrying amount, the group assesses whether this indicates that the asset may be impaired. If so, the asset is tested for impairment and any impairment loss is recognised in accordance with IAS 36.
- The capitalised decommissioning cost is depreciated over the asset's remaining useful life on the same basis as the asset.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and impairment losses except for land which is not depreciated.The capitalised cost of decommissioning and restoration is depreciated over the same pattern as the related asset.

The useful lives of items of property, plant and equipment have been assessed as follows:

ITEM	DEPRECIATION METHOD	USEFUL LIFE
Plant and machinery	Straight line	5 years
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	4 years
Installations	Straight line	3 years
Computer equipment	Straight line	3 years
Leasehold improvements	Straight line	10 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting . No material changes were made.

Where a remeasurement of a decommissioning liability increases the carrying amount of an asset, the group assesses the asset for impairment under IAS 36

There were no indicators of impairment for property, plant and equipment and no impairment tests were performed.

1.6 INTANGIBLE ASSETS

DEFINITION

An intangible asset is an identifiable non-monetary asset without physical substance. The asset is determined to be identifiable if it either is separable, or arises from contractual or other legal rights.

RECOGNITION

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

An assessment of the probability of expected future economic benefits that will flow to the entity as a result of the use of an asset is made by management before the asset is recognised. This includes using reasonable and supportive assumptions that represent a best estimate of the set of economic conditions that will exist over the useful life of the asset.

Intangible assets are subsequently measured at cost less any accumulated amortisation and impairment losses. Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Computer software	Straight line	2 years
Exploration	Straight line	5 years

The useful life and amortisation method of intangible assets are reviewed at the end of each reporting. No material changes were made.

There were no indicators of impairment for intangible assets and no impairment tests were performed.

ACCOUNTING POLICIES (CONTINUED)

1.7 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

A financial asset is any asset that is:

- cash;
- an equity instrument of another entity;
- a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.
- a contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include puttable financial instruments classified as equity instruments in accordance with paragraphs 16A and 16B, instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and are classified as equity instruments in accordance with paragraphs 16C and 16D, or instruments that are contracts for the future receipt or delivery of the entity's own equity instruments.

A financial liability is any liability that is:

- a contractual obligation to deliver cash or another financial asset to another entity to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.
- a contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Also, for these purposes the entity's own equity instruments do not include puttable financial instruments that are classified as equity instruments in accordance with paragraphs 16A and 16B, instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and are classified as equity instruments in accordance with paragraphs 16C and 16D, or instruments that are contracts for the future receipt or delivery of the entity's own equity instruments.

LOANS TO (FROM) GROUP COMPANIES

These can include loans between holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

The loan to group company is classified as a financial asset at amortised cost and is initially measured at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

The loan from group company is classified as a financial liability at amortised cost and is initially measured at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

LOANS RECEIVABLE AT AMORTISED COST

Management have assessed and classified loans to group companies, loans to shareholders, loans to directors, managers and employees, and loans receivable as financial assets at amortised cost.

The amortised cost, calculated using the effective interest method, is the amount recognised initially, minus principal repayments, plus cumulative amortisation of interest, adjusted for any loss allowance.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the loan in the application of the effective interest method. The gross carrying amount is the amortised cost before adjusting for a loss allowance.

Refer to the loss allowances and write-offs accounting policy for impairment of loans receivable.

TRADE AND OTHER RECEIVABLES

Trade receivables are measured at initial recognition at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest rate method, less allowance for expected credit losses. For trade receivables and contract assets, a simplified approach is applied in calculating expected credit losses. Instead of tracking changes in credit risk, a loss allowance is recognised based on lifetime expected credit losses at each reporting date. A provision matrix was established that is based on the company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

1.7 FINANCIAL INSTRUMENTS (continued)

The accounting policy for impairment of trade and other receivables is set out in the loss allowances and write-offs accounting policy.

TRADE AND OTHER PAYABLES

Trade and other payables, are initially measured at fair value plus direct transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently carried at amortised cost.

1.8 TAX

CURRENT TAX ASSETS AND LIABILITIES

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

The benefit relating to a tax loss that can be carried back to recover current tax of a previous period 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 taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset only where:

- there is a legally enforceable right to set off the recognised amounts; and
- there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used for taxation purposes.

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The deferred tax rate applied to assets is determined by the expected manner of recovery. Where the expected recovery of the asset is through sale, the capital gains tax rate is applied. The normal tax rate is applied when the expected recovery is through use. A combination of these rates is applied if the recovery is expected to be partly through use and sale.

Deferred tax assets are reviewed at each reporting date and are reduced if it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The review by management has not resulted in the reduction of the deferred tax assets.

TAX EXPENSES

The income tax expense consists of current and deferred tax and is recognised in profit or loss.

Current and deferred tax is 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, outside profit or loss, either in other comprehensive income or directly in equity.
- a business combination other than the acquisition by an investment of a subsidiary that is required to be measured at fair value through profit or loss.

Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognised, in the same or a different period:

- in other comprehensive income, will be recognised in other comprehensive income;
- directly in equity, will be recognised directly in equity.

ACCOUNTING POLICIES (CONTINUED)

1.9 LEASES

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

GROUP AS LESSEE IDENTIFICATION OF A LEASE

At inception of a contract, it is assessed to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still or now contains a lease.

Where a contract contains a lease, each lease component with the contract is accounted for separately from the non-lease components. The consideration is then allocated to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components are determined on the basis of the price the lessor, or a similar supplier, would charge an entity for that component, or a similar component, separately. If an observable stand-alone price is not readily available, an estimate of the stand-alone price is made, maximising the use of observable information in each case. All non-lease components are accounted for in accordance with whatever other policy is applicable to them.

RECOGNITION

At inception, a right-of-use asset and a lease liability is recognised. Right-of-use assets are included in the statement of financial performance within a classification relevant to the underlying asset, and not as a separate line item.

MEASUREMENT

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

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The obligation for those costs are incurred either at the commencement date or as a consequence of having used the underlying asset during a particular period.

1.10 INVENTORIES

RECOGNITION

Inventories are recognised as an asset when

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the inventories can be measured reliably.

MEASUREMENT

Inventories are measured at the lower of cost and net realisable value using either the first-in-first-out or weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects are assigned by using specific identification of their individual costs.

COST FORMULAS

The same cost formula is used for inventories having a similar nature and use.

- Diamonds. Cost is assigned by specific identification for non-interchangeable stones and segregated sale parcels tracked individually (IAS 2.23). Where production is undertaken by contractors, contractor remuneration determined by contract terms is treated as a cost of conversion and included in cost of unsold inventory (not as a selling cost).
- Stores, consumables, maintenance spares and fuel. Cost is determined on a weighted-average basis. Items are carried at lower of cost and net realisable value, with allowances for obsolete and slow-moving stock where recoverability indicators suggest net realisable value is below cost.

RECOGNITION AS AN EXPENSE

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised, and the inventory is derecognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.10 INVENTORIES (continued)

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values and the write-down or reversal is recognised against the expense as indicated above.

A provision is maintained for obsolete or damaged inventory. The level of the provision for obsolete inventory is equivalent to the value of the difference between the cost of the inventory and its net realisable value. Movements in this provision are included in the expense recognised as indicated above.

1.11 IMPAIRMENT OF ASSETS

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount cannot be determined for an individual asset, then it is determined for the cash generating unit to which the asset belongs.

Impairment losses are recognised immediately in profit or loss. Interaction with decommissioning remeasurements:

Where a remeasurement of a decommissioning, restoration or similar liability results in an increase to the carrying amount of the related asset (under IFRIC 1), the group assesses whether this indicates that the asset (or relevant cash-generating unit) may be impaired and, if so, estimates recoverable amount and recognises any impairment loss in accordance with IAS 36.

1.12 SHARE CAPITAL AND EQUITY

Equity instruments issued by the group are recognised at the proceeds received, net of direct issue costs.

1.13 SHARE BASED PAYMENTS

The employee service expense and the corresponding increase in equity is measured by reference to the fair value of the [state the equity instruments granted. E.g. share options] granted.

1.14 EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

Compensation paid to employees for the rendering of services are recognised at the undiscounted amount paid or expected to be paid in the accounting period in which the services were rendered.

Where employees accumulate entitlement for paid absences, an expense is recognised as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. In the case of non-accumulating paid absences, the expense is recognised only when the absences occur.

The expected cost of profit-sharing and bonus payments are recognised when there is a present legal or constructive obligation to make such payments as a result of past events, and a reliable estimate of the obligation can be made. A present obligation exists when there is no realistic alternative but to make the payments.

DEFINED CONTRIBUTION PLANS

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to an entity during a period, the contribution payable to a defined contribution plan in exchange for that service is recognised:

- as a liability, after deducting any contribution already paid. Where the contribution already paid exceeds the contribution due for service before the end of the reporting period, the excess is recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.
- as an expense, except where the amount is allowed as an inclusion in the cost of an asset.

1.15 PROVISIONS AND CONTINGENCIES

There is always a degree of estimation uncertainty involved with provisions as they are measured at management's best estimate of the amount which will be required to settle the obligation. When the effect of discounting is material, the provision is measured at the present value of such amounts.

A provision is a liability of uncertain timing or amount. A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity; or

- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A provision is recognised when:
- there is a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received when the obligation is settled. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Rehabilitation and decommissioning provisions:
- The group recognises provisions for dismantling, removal and site restoration when it has a present legal or constructive obligation as a result of past events, an outflow of resources is probable, and the amount can be reliably estimated.
- Provisions are measured at the present value of expected future cash outflows, based on current legal and constructive requirements and the expected timing of rehabilitation. The discount rate is pre-tax and reflects current market assessments of the time value of money and risks specific to the obligation. Assumptions about cost inflation are applied consistently with the discount rate (nominal vs real).
- Remeasurements of the provision due to changes in the estimated timing or amount of outflows, or changes in the discount rate, are accounted for in accordance with IFRIC 1: under the cost model, changes in the liability are added to, or deducted from, the carrying amount of the related asset in the current period, except that any decrease in the liability that would reduce the asset's carrying amount below zero is recognised immediately in profit or loss.
- Unwinding of the discount (interest accretion) on the provision is recognised in profit or loss as a finance cost.
- Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.
- Where reimbursement by a third party is virtually certain, a reimbursement asset is recognised separately and measured not exceeding the related provision.
- Classification between current and non-current is based on the expected timing of settlement; the majority of rehabilitation provisions are non-current.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating losses.

The present obligation under an onerous contract is recognised and measured as a provision.

1.16 GOVERNMENT GRANTS

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the group. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the group.

Government grants, including non-monetary grants at fair value, are not recognised until there is reasonable assurance that:
- the entity will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the related costs for which the grants are intended to compensate are expensed.

1.16 GOVERNMENT GRANTS (continued)

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss of the period in which it becomes receivable.

Non-monetary grants are measured at fair value of the non-monetary asset and both the grant and asset are recognised at that fair value. An alternative course that is sometimes followed is to record both asset and grant at a nominal amount.

Government grants related to assets, including non-monetary grants at fair value are presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as part of profit or loss, either separately or under a general heading such as 'Other income'; alternatively, they are deducted in reporting the related expense.

Repayment of a grant related to income is applied first against any unamortised deferred credit recognised in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or when no deferred credit exists, the repayment is recognised immediately in profit or loss.

Repayment of a grant related to an asset is recognised by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised in profit or loss to date in the absence of the grant is recognised immediately in profit or loss.

Where a loan is received from government at below market interest rate, the difference between the fair value of the loan and the amount received is recognised as a government grant.

1.17 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is income arising in the course of a group ordinary activities.

The group is in the business of mining and selling diamonds. Other revenues are earned through rental income. A contract with a customer is recognised when all of the following criteria are met:

- the contract has been approved and all parties to the contract are committed to performing their respective obligations;
- each party's rights regarding the goods or services to be transferred are identifiable;
- payment terms for the goods or services to be transferred are identifiable;
- the contract has commercial substance; and
- it is probable that the consideration in exchange for the goods or services that will be transferred will be collected.

At the inception of a contract, the goods or services promised in the contract are assessed and a performance obligation is identified for each promise to transfer to the customer either:

- a good or service that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer.

Revenue is recognised when or as the performance obligation is satisfied by transferring a promised good or service to a customer. Assets are transferred when or as the customer obtains control of that asset.

MEASUREMENT

When a performance obligation is satisfied, revenue is recognised as the amount of the transaction price that is allocated to the performance obligation, but excluding estimates of variable consideration that are constrained and any amounts collected on behalf of third parties. The transaction price may include fixed amounts, variable amounts, or both.

The group allocates the transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the group expects to be entitled in exchange for transferring the promised goods or services to the customer.

The group recognises as an asset the incremental costs of obtaining a contract with a customer if the group expects to recover those costs.

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38

Intangible Assets), the group recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the group can specifically identify (for example, costs relating to services to be provided under renewal of an existing contract or costs of designing an asset to be transferred under a specific contract that has not yet been approved);
- the costs generate or enhance resources of the group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

When either party to a contract has performed, the group presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the group's performance and the customer's payment. The group presents any unconditional rights to consideration separately as a receivable.

SALE OF DIAMONDS

Revenue from sale of diamonds is recognised at the point in time when control of the diamond is transferred to the customer, generally on delivery of the diamonds. The normal credit term is 7 days before delivery.

The group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of diamonds, the group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

CONSIDERATION PAYABLE TO A CUSTOMER

Consideration payable to a customer includes cash amounts that the group pays, or expects to pay, to the customer. The consideration payable to a customer is accounted for as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the group.

1.18 BORROWING COSTS

All borrowing costs are recognised as an expense in the period in which they are incurred.

1.19 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Irregular expenditure is defined as expenditure incurred in contravention of the requirement of any applicable legislation. Fruitless and wasteful expenditure is defined as expenditure which was made in vain and would have been avoided had reasonable care been exercised.

In terms of section 55(2)(b)(i) of the Public Finance Management Act, 1999, the financial statements must include particulars of any irregular, fruitless and wasteful expenditure.

All irregular, fruitless and wasteful expenditure is disclosed in the period in which they are identified.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

at 31 March 2025

2. PROPERTY, PLANT AND EQUIPMENT

GROUP	2025			2024		
Figures in Rand	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	2 167 800	(781 053)	1 386 747	2 167 800	(621 011)	1 546 789
Capital work in progress	814 687	-	814 687	672 341	-	672 341
Decommissioning and restoration asset	490 248 324	(203 110 565)	287 137 759	490 248 324	(147 230 607)	343 017 717
Furniture and fixtures	1 150 993	(871 529)	279 464	1 127 516	(732 153)	395 363
IT equipment	3 003 763	(2 336 541)	667 222	2 641 314	(1 962 996)	678 318
Motor vehicles	14 515 896	(12 710 179)	1 805 717	13 355 996	(12 391 502)	964 494
Installations	6 166 531	(3 970 571)	2 195 960	6 089 228	(3 012 427)	3 076 801
Other property, plant and equipment	77 550	-	77 550	-	-	-
Plant and machinery	72 652 373	(66 419 101)	6 233 272	(621 011)	(58 388 174)	13 179 803
Town infrastructure	21 415 506	(21 413 966)	1 540	-	(21 413 966)	1 540
Total	**612 213 423**	**(311 613 505)**	**300 599 918**	**(147 230 607)**	**(245 752 836)**	**363 533 166**

COMPANY	2025			2024		
Figures in Rand	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	2 167 800	(781 053)	1 386 747	2 167 800	(621 011)	1 546 789
Capital work in progress	814 687	-	814 687	672 341	-	672 341
Computer equipment	3 003 763	(2 336 541)	667 222	2 641 314	(1 962 996)	678 318
Decommissioning and restoration asset	490 248 324	(203 110 565)	287 137 759	490 248 324	(147 230 607)	343 017 717
Furniture and fixtures	1 150 993	(871 529)	279 464	1 127 516	(732 153)	395 363
Minor assets	77 550	-	77 550	-	-	-
Motor vehicles	14 515 896	(12 710 179)	1 805 717	13 355 996	(12 391 502)	964 494
Installations	6 166 531	(3 970 571)	2 195 960	6 089 228	(3 012 427)	3 076 801
Plant and machinery	72 652 373	(66 419 101)	6 233 272	71 567 977	(58 388 174)	13 179 803
Town infrastructure	21 415 506	(21 413 966)	1 540	21 415 506	(21 413 966)	1 540
Total	**612 213 423**	**(311 613 505)**	**300 599 918**	**609 286 002**	**(245 752 836)**	**363 533 166**

2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT – GROUP

	2025						
GROUP	Opening balance	Additions	Disposals	Other changes movements	Depreciation	Impairment loss	Total
Buildings	1 546 789	-	-	-	(160 042)	-	1 386 747
Plant and machinery	13 179 803	1 084 397	-	23 908	(8 030 928)	(23 908)	6 233 272
Furniture and fixtures	395 363	23 478	-	2 244	(141 621)	-	279 464
Motor vehicles	964 494	1 159 899	-	15 979	(334 655)	-	1 805 717
Installations	3 076 801	231 207	(23 909)	(18 222)	(1 069 917)	-	2 195 960
Computer equipment	678 318	362 449	-	-	(373 545)	-	667 222
Decommissioning and restoration asset	343 017 717	-	-	-	(55 879 958)	-	287 137 759
Capital work in progress	672 341	142 346	-	-	-	-	814 687
Town infrastructure	1 540	-	-	-	-	-	1 540
Minor assets	-	77 621	-	-	(71)	-	77 550
	363 533 166	**3 081 397**	**(23 909)**	**23 909**	**(65 990 737)**	**(23 908)**	**300 599 918**

	2024						
GROUP	Opening balance	Additions	Disposals	Other changes movements	Depreciation	Impairment loss	Total
Land	5 585 000	-	(5 585 000)	-	-	-	-
Buildings	1 794 478	-	-	-	(247 689)	-	1 546 789
Plant and machinery	21 709 686	1 344 944	(1 040 566)	-	(2 680 683)	(6 153 578)	13 179 803
Furniture and fixtures	673 368	65 019	(177 703)	(11 502)	(131 136)	(22 683)	395 363
Motor vehicles	1 013 012	167 405	(4 618)	-	(211 305)	-	964 494
Installations	1 958 620	1 523 807	(129 275)	110 833	(387 184)	-	3 076 801
Computer equipment	684 327	309 367	(63 353)	71 784	(317 516)	(6 291)	678 318
Decommissioning and restoration asset	54 326 857	296 453 919	-	-	(7 763 059)	-	343 017 717
Capital work in progress	437 968	234 373	-	-	-	-	672 341
Town infrastructure	21 415 506	-	-	8 741	(1 135 296)	(20 287 411)	1 540
Minor assets	-	13 190	-	(216)	(12 974)	-	-
Total	**109 598 822**	**300 112 024**	**(7 000 515)**	**179 640**	**(12 886 842)**	**(26 469 963)**	**363 533 166**

2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT – COMPANY

	2025						
COMPANY	Opening balance	Additions	Disposals	Other changes movements	Depreciation	Impairment loss	Total
Buildings	1 546 789	-	-	-	(160 042)	-	1 386 747
Plant and machinery	13 179 803	1 084 397	-	23 908	(8 030 928)	(23 908)	6 233 272
Furniture and fixtures	395 363	23 478	-	2 244	(141 621)	-	279 464
Motor vehicles	964 494	1 159 899	-	15 979	(334 655)	-	1 805 717
Installations	3 076 801	231 207	(23 909)	(18 222)	(1 069 917)	-	2 195 960
Computer equipment	678 318	362 449	-	-	(373 545)	-	667 222
Decommissioning and restoration asset	343 017 717	-	-	-	(55 879 958)	-	287 137 759
Capital work in progress	672 341	142 346	-	-	-	-	814 687
Town infrastructure	1 540	-	-	-	-	-	1 540
Minor assets	-	77 621	-	-	(71)	-	77 550
Total	**363 533 166**	**3 081 397**	**(23 909)**	**23 909**	**(65 990 737)**	**(23 908)**	**300 599 918**

	2024						
COMPANY	Opening balance	Additions	Disposals	Other changes movements	Depreciation	Impairment loss	Total
Land and residential property	5 585 000	-	(5 585 000)	-	-	-	-
Buildings	1 794 478	-	-	-	(247 689)	-	1 546 789
Plant and machinery	21 709 686	1 344 944	(1 040 566)	-	(2 680 683)	(6 153 578)	13 179 803
Furniture and fixtures	673 368	65 019	(177 703)	(11 502)	(131 136)	(22 683)	395 363
Motor vehicles	1 013 012	167 405	(4 618)	-	(211 305)	-	964 494
Installations	1 958 620	1 523 807	(129 275)	110 833	(387 184)	-	3 076 801
Computer equipment	684 327	309 367	(63 353)	71 784	(317 516)	(6 291)	678 318
Decommissioning and restoration asset	54 326 857	296 453 919	-	-	(7 763 059)	-	343 017 717
Capital work in progress	437 968	234 373	-	-	-	-	672 341
Town infrastructure	21 415 506	-	-	8 741	(1 135 296)	(20 287 411)	1 540
Minor assets	-	13 190	-	(216)	(12 974)	-	-
	109 598 822	**300 112 024**	**(7 000 515)**	**179 640**	**(12 886 842)**	**(26 469 963)**	**363 533 166**

3. INVESTMENT PROPERTY

	2025			2024		
GROUP	Cost/fair-value	Accumulated depreciation	Carrying value	Cost/fair-value	Accumulated depreciation	Carrying value
Investment property	211 042 201	-	211 042 201	211 042 201	-	211 042 201

	2025			2024		
COMPANY	Cost/fair-value	Accumulated depreciation	Carrying value	Cost/fair-value	Accumulated depreciation	Carrying value
Investment property	211 042 201	-	211 042 201	211 042 201	-	211 042 201

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT – GROUP

	2025	
GROUP	Opening balance	Total
Investment property	211 042 201	211 042 201

	2024		
GROUP	Opening balance	Disposals	Total
Investment property	247 571 945	(36 529 744)	211 042 201

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT – COMPANY

	2025	
COMPANY	Opening balance	Total
Investment property	211 042 201	211 042 201

	2024		
GROUP	Opening balance	Disposals	Total
Investment property	247 571 945	(36 529 744)	211 042 201

3. INVESTMENT PROPERTY (CONTINUED)

DETAILS OF PROPERTY

	GROUP		COMPANY	
Figures in Rand	2025	2024	2025	2024
Property 1				
Erf 32 3de and 4de Bosstraat, situated at Port Nolloth, Richtersveld Municipality, Namaqualand Road, Northern Cape, for residential usage.				
- Purchase price: 1 December 2005	650 000	650 000	650 000	650 000
- Revaluation: 08 August 2024	365 000	365 000	365 000	365 000
	1 015 000	**1 015 000**	**1 015 000**	**1 015 000**
Property 2				
Erf 66 Soutpansweg, situated at Port Nolloth, Richtersveld Local Municipality, Namaqualand Road, Northern Cape, for residential usage.				
- Purchase price: 1 December 2005	700 000	700 000	700 000	700 000
- Revaluation: 08 August 2024	(200 000)	(200 000)	(200 000)	(200 000)
	500 000	**500 000**	**500 000**	**500 000**
Property 3				
Erf 578 H/V cnr Diamant and Jacaranda streets, situated at Port Nolloth, Richtersveld Local Municipality, Namaqualand Road, Northern Cape, for residential usage.				
- Purchase price: 01 April 2006	650 000	650 000	650 000	650 000
- Valuation	1 034 910	1 034 910	1 034 910	1 034 910
	1 684 910	**1 684 910**	**1 684 910**	**1 684 910**
Property 4				
Erf 578 H/V Cnr Diamant and Jacaranda Street, situated at Port Nolloth, Richtersveld Local Municipality, Namaqualand Road, Northern Cape, for residential usage.				
- Purchase price: 01 April 2006	1 367 418	1 367 418	1 367 418	1 367 418
- Revaluation: 08 August 2024	(250 000)	(250 000)	(250 000)	(250 000)
	1 117 418	**1 117 418**	**1 117 418**	**1 117 418**
Property 5				
Erf 704 Markstraat, situated at Port Nolloth, Richtersveld Local Municipality, Namaqualand Road, Northern Cape, for residential usage				
- Purchase price: 01 April 2005	1 276 100	1 276 100	1 276 100	1 276 100
- Revaluation: 08 August 2024	(150 000)	(150 000)	(150 000)	(150 000)
	1 126 100	**1 126 100**	**1 126 100**	**1 126 100**

3. INVESTMENT PROPERTY (CONTINUED)

DETAILS OF PROPERTY (CONTINUED)

	GROUP		COMPANY	
Figures in Rand	2025	2024	2025	2024
Property 6				
Erf 713 Markstraat, situated at Port Nolloth, Richtersveld Local Municipality, Namaqualand Road, Northern Cape, for residential usage.				
- Purchase price: 01 April 2006	800 000	800 000	800 000	800 000
- Revaluation: 08 August 2024	(31 200)	(31 200)	(31 200)	(31 200)
	768 800	**768 800**	**768 800**	**768 800**
Property 7				
Buitekant Street, Bitterfontein, Matzikama Local Municipality, Western Cape, residential usage.				
- Purchase price: 31 March 2015	45 000	45 000	45 000	45 000
- Revaluation: 08 August 2024	10 000	10 000	10 000	10 000
	55 000	**55 000**	**55 000**	**55 000**
Property 8				
Erf 50 Bitterfontein, situated in Buitekant Street, Bitterfontein, Matzikama Local Municipality, Western Cape, residential usage.				
- Purchase price: 31 March 2015	60 000	60 000	60 000	60 000
- Revaluation: 08 August 2024	10 000	10 000	10 000	10 000
	70 000	**70 000**	**70 000**	**70 000**
Property 9				
Erf 179 Bitterfontein, situated in Buitekant Street, Bitterfontein, Matzikama Local Municipality, Western Cape, residential usage.				
- Purchase price: 31 March 2015	80 000	80 000	80 000	80 000
- Revaluation: 08 August 2024	(55 000)	(55 000)	(55 000)	(55 000)
	25 000	**25 000**	**25 000**	**25 000**
Property 10				
Land buildings – town residential properties and land				
- Purchase price	243 503 645	243 503 645	243 503 645	243 503 645
- Revaluation: 08 August 2024	(32 461 444)	(32 461 444)	(32 461 444)	(32 461 444)
	211 042 201	**211 042 201**	**211 042 201**	**211 042 201**

DETAILS OF VALUATION

The effective date of the revaluations was Thursday, 08 August 2024. Revaluations were performed by an independent valuer, SDM Asset Management & Consulting (Pty) Ltd, the valuer is not connected to the group and have recent experience in location and category of the investment property being valued. The valuation was based on open market value for existing use.

3. INVESTMENT PROPERTY (CONTINUED)

A. FAIR-VALUE MEASUREMENT

B. DIFFERENT MARKET APPROACHES

The different market approaches include the Sales Comparison Approach, the Income Capitalization Approach and the Cost Approach.

i. Key assumptions used and inputs into the valuation

Market Conditions between 2020 and 2024 were somewhat stagnant The central business and decentralised business nodes of Alexander Bay and neighbouring areas have indicated no new renovations and upgrading, supporting a stagnant market.

Overall is the Municipal area is in fairly stable status, except for visible defect caused by poor infrastructure maintenance. Public road infrastructure is poorly maintained and kept clean. In general, Richtersveld Local Municipality feature the potential to be managed and uplifted to a wealthy and successful and profitable property market. There was a tremendous strong sense of growth with previous disadvantaged areas, which promised to become a rates and tax contributor to municipal revenue enhancement.

ii. Fair-value hierarchy (which level the fair-value is ranked)

The valuer used the depreciated replacement cost method which will typically falls under level 3 of the fair value hierarchy. This classification arises because the depreciated replacement cost method relies on unobservable inputs, such as estimates of replacement costs and assessments of depreciation, which are not directly derived from active market data. Consequently, valuations using the depreciated replacement cost method are considered less reliable due to their subjective nature.

Public participation remains a major concern. Richtersveld take any initiative for intervention with property owners. The consultant has made effort to reach out to local newspapers and agricultural forums without success, since compensation is required for media exposure; There remains though sufficient time for the municipality to proceed with public notifications;

To date, data collection as per point 8.1.17 above, referring to point (2) physical on-site data capturing by field technicians) for in-house data capturing, all footage has been 100% completed. A substantial number of photos were taken. Photo's of each individual asset, condition, type and usage was physically identified on site.

The central business and decentralised business nodes of Alexander Bay and neighbouring areas have indicated NO new renovations and upgrading, supporting a stagnant market.

iii. Changes in fair-value (gains or losses)

No significant changes in fair value as the market was deemed to be stagnant between 2020 and 2024.

iv. Sensitivities analysis

Stand or land values tend to track industrial rental trends, which implies that poor market-rental growth translates into very weak stand-value growth, and strong market rental growth results in very strong stand value growth. Nationally, the nominal value of serviced and level stands increased by 1.9% in the third quarter of 2023 compared to a year earlier, in line with the 1.6% year-on-year growth recorded in the second quarter of 2023. Stand values grew by about 3% in the first nine months of 2023 compared to the same period in 2022, slower than the roughly 5% growth achieved in calendar year 2022.

The slower growth in stand values is in line with the weaker growth. Nationally, the growth in stand values in the third quarter was the strongest the Central Witwatersrand and the East Rand. Stand values in Cape Town were up marginally compared to the third quarter of 2022, while they declined in Durban.

Significant disparity between serviced stand values in Durban and Cape Town on the one hand and the Central Witwatersrand and the East Rand on the other.

3. INVESTMENT PROPERTY (CONTINUED)

The reason for the high stand values in Cape Town is largely the scarcity of land, while in Durban a key landowner-developer has held back on new supply during the past few years. It so happens that the cities' stand values run nearly parallel, meaning their deflated market levels have been much the same since about 2009.

Normally, the larger a stand, the cheaper the stand value per square metre, but we find this is not always the case, most likely due to a shortage or an oversupply in certain size categories.

However, in the case of virgin land with development potential, one would expect a huge difference in the value per hectare depending on extent: larger tracks take longer to sell out once serviced, which dramatically pushes up the risk for the developer, which in turn means the present value per hectare of larger tracks will be lower

- holding all other factors constant
- because of the time value of money and the higher risk (resulting in a higher discount rate).

Consumer Price Index was also considered in conjunction with time value of money over a one-year period. In saying this all value forming factors and attributes was considered when market value was determined Such as size of land, location, area, accessibility, shape and usage.

Market continues to slow down due to lower effective demand for property as a result of the weakening economy, the high cost of living and elevated interest rates. Nominal market prices grew by 0.8% in August 2023 compared to August 2022, based on FNB data. This took market-price growth to 2% in the first eight months of 2023, well below the 3.6% growth achieved in calendar year 2022. In real terms, market prices fell by about 4% in the first eight months of 2023, after deducting the consumer price inflation rate of 6.1%.

To combat inflation, the South African Reserve Bank started hiking short interest rates in November 2021 and by September 2023 had already lifted rates by a cumulative 4.75% points. This has resulted in the prime interest rate rising to 11.75% from 7%, which means it is well above the roughly pre-pandemic level of 10% in 2019.

The positive is that the interest rates did not rise further during the third quarter. The next interest rate decision is due at the end of November. Interest rate hikes have started to affect house prices and activity levels more materially in 2023, as we discuss later, and the impact is not over yet as the rate will remain higher for longer.

The reason for the higher interest rate expectations is that inflation is not yet at the central bank targets, despite declining. For example, the South African Reserve Bank believes consumer inflation needs to return to its 4.5% target, the midpoint of its 3% to 6% range, and be sustained at that level before policy can change.

The latest consumer price inflation rate was 4.8% for August 2023 but will likely lift again in the months to come due to the impact of higher fuel prices. The positive is that interest rates are generally expected to decline in 2024 and 2025 as inflation moves to acceptable levels. But interest rate forecasts can change quickly, as we have seen before. Nominal market prices to grow at a slower rate in 2023 and 2024 due to the weak economy, high unemployment and elevated interest rates. Therefore, do not expect real market-price growth soon. It is all about affordability.

The property sector experienced another tough quarter as reflected by the further decline in the share prices of listed property funds. The prices reflect the numerous challenges faced by the property industry, like the power problems, elevated interest rates, rising operating costs (including rates and taxes) and poor municipal service delivery – not to mention the global, and especially the South African, economy that faces a period of low growth.

4. INTANGIBLE ASSETS

GROUP	2025 Cost	2025 Accumulated amortisation	2025 Carrying value	2024 Cost	2024 Accumulated amortisation	2024 Carrying value
Computer software	2 621 708	(2 176 964)	444 744	2 619 668	(1 848 316)	771 352
Exploration	94 698 036	(94 698 036)	-	94 698 036	(94 698 036)	-
Total	**97 319 744**	**(96 875 000)**	**444 744**	**97 317 704**	**(96 546 352)**	**771 352**

COMPANY	2025 Cost	2025 Accumulated amortisation	2025 Carrying value	2024 Cost	2024 Accumulated amortisation	2024 Carrying value
Computer software	2 621 708	(2 176 964)	444 744	2 619 668	(1 848 316)	771 352
Exploration	94 698 036	(94 698 036)	-	94 698 036	(94 698 036)	-
Total	**97 319 744**	**(96 875 000)**	**444 744**	**97 317 704**	**(96 546 352)**	**771 352**

RECONCILIATION OF INTANGIBLE ASSETS – GROUP

GROUP	2025 Opening balance	2025 Additions	2025 Amortisation	2025 Total
Computer software	771 352	2 041	(328 649)	444 744

GROUP	2024 Opening balance	2024 Other changes, movements	2024 Amortisation	2024 Total
Computer software	1 050 613	(92 587)	(186 674)	771 352

RECONCILIATION OF INTANGIBLE ASSETS – COMPANY

COMPANY	2025 Opening balance	2025 Additions	2025 Amortisation	2025 Total
Computer software	771 352	2 041	(328 649)	444 744

COMPANY	2024 Opening balance	2024 Other changes, movements	2024 Amortisation	2024 Total
Computer software	1 050 613	(92 587)	(186 674)	771 352

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (CONTINUED)

5. INTERESTS IN SUBSIDIARIES INCLUDING CONSOLIDATED STRUCTURED ENTITIES

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

Name of company	Held by	% VOTING POWER		% HOLDING		CARRYING AMOUNT	
		2025	2024	2025	2024	2025	2024
Alexkor Rehabilitation Trust	Alexkor SOC Limited	100%	100%	100%	100%	266 642 238	245 114 128

6. INVENTORIES

	GROUP		COMPANY	
	2025	2024	2025	2024
Diamonds	7 015 175	16 635 227	7 015 175	16 635 227
Stores	3 287 996	3 219 684	3 287 996	3 219 684
Fuel	300 816	301 923	300 816	301 923
	10 603 987	**20 156 834**	**10 603 987**	**20 156 834**

Inventories are measured at the lower of cost and net realisable value. The same cost formula is used for all inventories having a similar nature and use.

Stores, consumables, maintenance spares and fuel. Cost is determined on a weighted-average basis. Items are carried at lower of cost and net realisable value, with allowances for obsolete and slow-moving stock where recoverability indicators suggest net realisable value is below cost.

Diamonds. Cost is assigned by specific identification for non-interchangeable stones and segregated sale parcels tracked individually (IAS 2.23). Where production is undertaken by contractors, contractor remuneration determined by contract terms is treated as a cost of conversion and included in cost of unsold inventory (not as a selling cost).

7. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2025	2024	2025	2024
Financial instruments				
Trade receivables	39 895 269	34 120 199	39 895 269	34 120 199
Deposits	276 194	271 094	276 194	271 094
Other receivables	23 833 347	24 165 182	23 833 347	24 165 182
Related-party receivables	-	60 999	-	60 999
Total trade and other receivables	**64 004 810**	**58 617 474**	**64 004 810**	**58 617 474**

7. TRADE AND OTHER RECEIVABLES (CONTINUED)

FINANCIAL INSTRUMENT AND NON-FINANCIAL INSTRUMENT COMPONENTS OF TRADE AND OTHER RECEIVABLES

At amortised cost	**64 004 810**	58 617 474	**64 004 810**	58 617 474

EXPOSURE TO CREDIT RISK

The cash flows arising from trade and contract receivables within 12 months are substantially payments of the principal amount on the principal amount outstanding. Trade and contract receivables carry an insignificant financing component and is therefore measured at its transaction price.

Alexkor is not significantly exposed to credit risk relating to contracts with mining contractors, accordingly debtor discounting arrangements are not required. For receivables without a significant financing component the fair value typically equates to the amortised cost.

100% impairment provision was made for inactive contract debtors.

Credit risk

Alexkor considers each customer's credit characteristics, their geographical location, industry, trading history with the group and existence of previous financial difficulties. The expected credit losses calculated are considered appropriate based on the customers' credit profiles.

Liquidity risk

Management monitors rolling forecasts of the group's liquidity reserve comprising the cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the group in accordance with practice and limits set by the group. In addition, the group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against regulatory requirements and maintaining debt financing plans.

Market risk

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either as at fair value through other comprehensive income (or at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group. The majority of the group's equity investments are not publicly traded.

GROUP	**2025**		2024	
EXPECTED CREDIT LOSS RATE:	**Estimated gross carrying amount at default**	**Loss allowance (lifetime expected credit loss)**	Estimated gross carrying amount at default	Loss allowance (lifetime expected credit loss)
Current	249 401	53 254	301 307	12 898
Fewer than 30 days past due	380 069	208 033	858 294	528 279
31 - 60 days past due	350 687	256 562	706 183	442 527
61 - 90 days past due	298 898	201 341	672 082	577 864
91 - 120 days past due	30 266 366	30 266 366	24 110 541	24 110 541
Inactive accounts	3 310 882	3 310 882	3 310 882	3 310 882
Total	**34 856 303**	**34 296 438**	29 959 289	28 982 991

7. TRADE AND OTHER RECEIVABLES (CONTINUED)

COMPANY	2025		2024	
EXPECTED CREDIT LOSS RATE:	Estimated gross carrying amount at default	Loss allowance (lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (lifetime expected credit loss)
Current	249 401	53 254	301 307	12 898
Fewer than 30 days past due	380 069	208 033	858 294	528 279
31 - 60 days past due	350 687	256 562	706 183	442 527
61 - 90 days past due	298 898	201 341	672 082	577 864
91 - 120 days past due	30 266 366	30 266 366	24 110 541	24 110 541
Inactive accounts	3 310 882	3 310 882	3 310 882	3 310 882
Total	**34 856 303**	**34 296 438**	29 959 289	28 982 991

8. UNIT TRUSTS

	GROUP		COMPANY	
	2025	2024	2025	2024
Mandatorily at fair-value through profit or loss				
Unit trusts	85 427 536	85 427 536	24 129 458	21 909 959
Split between non-current and current portions				
Non-current assets	-	-	-	-
Current assets	94 017 628	85 427 536	24 129 458	21 909 959
	94 017 628	85 427 536	**24 129 458**	21 909 959

EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

These unit trust are held through momentum and are accounted for on Marked-to market valuation through profit and loss.

9. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2025	2024	2025	2024
Cash and cash equivalents consist of:				
Cash on hand	48 992	131 092	48 992	131 092
Bank balances	376 338 550	412 964 914	179 538 482	231 322 362
	376 387 542	413 096 006	**179 587 474**	231 453 454

EXPOSURE TO CURRENCY RISK

Refer to note Financial instruments and financial risk management for details of currency risk management for cash and cash equivalents.

10. SHARE CAPITAL

	GROUP		COMPANY	
	2025	2024	2025	2024
Issued				
No par value ordinary shares	**400 000 000**	400 000 000	**400 000 000**	400 000 000

Alexkor SOC Limited received R350 million through its Medium-Term Expenditure Framework allocation on 31 December 2012. This was recapitalisation from the shareholder and the additional shares to increase from R50 million initial share capital were issued in this regard. Par value shares were converted to no par value shares to be aligned with Alexkor's amended Memorandum of Incorporation.

The R350 million provided by National Treasury was to be utilised in compliance with the deed of settlement as follows:

a) R200 million to be set aside for the rehabilitation liability.
b) R50 million to settle the post-tetirement medical aid liability.
c) R55 million to settle all the statutory tax obligations that arose from the stipulations in the deed of settlement.
d) R45 million to transfer to the CPA Property Holding Company to comply with the deed of settlement with regards to the 10-year lease of Alexander Bay township.

11. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2025	2024	2025	2024
Financial instruments:				
Trade payables	28 026 390	29 025 773	27 980 389	52 539 969
Other payables	14 725 890	6 860 203	14 725 890	16 537 181
Government Fund Reserve	9 028 702	8 170 701	9 028 702	7 554 185
Accrued leave pay	3 073 952	2 565 594	3 073 952	1 908 138
Accrued bonus	359 271	571 839	359 271	240 502
Deposits received	42 000	42 000	42 000	42 000
Non-financial instruments:				
Value added tax	17 660 337	34 071 459	17 660 337	34 071 459
	72 916 542	**81 307 569**	**72 870 541**	**81 261 568**
Financial instrument and non-financial instrument components of trade and other payables				
At amortised cost	55 256 204	43 201 945	55 210 204	43 155 945
Non-financial instruments	17 660 337	32 638 286	17 660 337	32 638 286
	72 916 541	**75 840 231**	**72 870 541**	**75 794 231**

12. PROVISIONS

RECONCILIATION OF PROVISIONS – GROUP

	2025		
GROUP	Opening balance	Movements	Total
Environmental rehabilitation	484 658 953	12 320 590	496 979 543
Provisions for contractor costs	16 635 226	(9 620 051)	7 015 175
	501 294 179	2 700 539	503 994 718

	2024		
GROUP	Opening balance	Movements	Total
Environmental rehabilitation	204 808 039	279 850 914	484 658 953
Provisions for contractor costs	182 664 475	(166 029 249)	16 635 226
	387 472 514	113 821 665	501 294 179

RECONCILIATION OF PROVISIONS – COMPANY

	2025		
COMPANY	Opening balance	Movements	Total
Environmental rehabilitation	484 658 953	12 320 590	496 979 543
Provisions for contractor costs	16 635 226	(9 620 051)	7 015 175
	501 294 179	2 700 539	503 994 718

	2024		
COMPANY	Opening balance	Movements	Total
Environmental rehabilitation	204 808 039	279 850 914	484 658 953
Provisions for contractor costs	182 664 475	(166 029 249)	16 635 226
	387 472 514	113 821 665	501 294 179

	GROUP		COMPANY	
	2025	2024	2025	2024
Environmental rehabilitation	496 979 543	571 839	496 979 543	484 658 953
Provisions for contractor costs	7 015 175	42 000	7 015 175	16 635 226
	503 994 718	81 307 569	503 994 718	501 294 179

12. PROVISIONS (CONTINUED)

These are provisions for contractor payments relating to the diamond sales split once the diamonds are sold.

The company has an obligation to rehabilitate the environment as a result of environmental disturbances caused by its mining activities. A provision is recognised for the estimated costs to rehabilitate the existing environmental disturbances as at year-end. The adjustment in the current year's provision was as a result of a reassessment of the liability. The extent of sand plume increases during the year as result of past disturbances and inevitable need to exercise control over these will result in the rehabilitation cost to escalate in future years. The required rehabilitation includes pebble stabilisation of sources, netting and possible reed grass revegetation. The following table provides a reconciliation of the carrying value of the rehabilitation liability:

The environmental rehabilitation provision comprises:

i. Legacy rehabilitation arising from historical mining in the Richtersveld area, for which Alexkor SOC Limited is solely responsible; and
ii. Current and new mining-area rehabilitation arising from activities conducted through the PSJV. The PSJV bears primary responsibility for rehabilitation of areas it mines; however, because the PSJV is an unincorporated joint operation and Alexkor holds a 51% interest, Alexkor recognises and remains ultimately accountable for its share of these obligations, including any disturbances caused by contractors engaged by Alexkor or the PSJV. The rehabilitation liability balance for the financial year ended 2025 was assessed by independent environmental consultants, Myezo Environmental Management Services (Pty) Ltd.

The company's total rehabilitation liability amounts to R497 million as at 31 March 2025 (2024: R485 million), an increase of R11 million. Aerial photography was carried out previously which provided the ground-truthed total recalculation of the rehabilitation liability, taking full cognisance of sand plume increases and sand plume control by netting over years. The impact of the current mining activities on the environment have worsened with no backfilling the of excavations where possible, minimising of access to roads and erecting nets in order to curb the movement of sand at the base and toe of the sand plumes. Alexkor will continue to address the high risk areas around Boegoeberg.

13. REVENUE

	GROUP		COMPANY	
	2025	2024	2025	2024
Revenue from contracts with customers				
Sale of goods	121 242 542	553 113 218	553 113 218	553 113 218
Rendering of services rentals and electricity	3 248 388	2 780 696	2 780 696	2 780 696
	124 490 930	**555 893 914**	**555 893 914**	**555 893 914**
Revenue from other contracts with customers				
Rental Income	8 184 858	8 276 937	8 184 858	8 276 937
	132 675 788	**564 170 851**	**132 675 788**	**564 170 851**

14. COST OF SALES

	GROUP		COMPANY	
	2025	2024	2025	2024
Sale of goods	81 466 448	456 278 710	81 466 448	456 278 710

15. OTHER INCOME

	GROUP		COMPANY	
	2025	2024	2025	2024
Bad debts recovered	11 677	-	11 677	-
Other income	2 886 433	5 782 060	2 886 433	5 782 060
	2 898 110	**5 782 060**	**2 898 110**	**5 782 060**

16. INVESTMENT INCOME

	GROUP		COMPANY	
	2025	2024	2025	2024
Investments in financial assets				
Interest received	40 558 097	37 667 261	17 847 571	18 066 808
Interest received from rehab investment trust	-	-	21 528 110	19 600 453
Total interest income	**40 558 097**	**37 667 261**	**39 375 681**	**37 667 261**

17. FINANCE COSTS

	GROUP		COMPANY	
	2025	2024	2025	2024
Late payment of tax (South African Revenue Service)	3 452 702	15 365 960	3 452 702	15 365 960
Unwinding of discount on rehabilitation provision	12 250 760	-	12 250 760	-
Trade and other payables	516	2 010	516	2 010
Total finance costs	**15 703 978**	**15 367 970**	**15 703 978**	**15 367 970**

18. EMPLOYEE COSTS

	GROUP		COMPANY	
	2025	2024	2025	2024
Employee costs				
Basic	25 248 789	27 431 907	25 248 789	27 431 907
Bonus	1 128 653	1 597 297	1 128 653	1 597 297
Medical aid	1 816 272	1 661 614	1 816 272	1 661 614
Unemployment Insurance Fund	156 063	323 830	156 063	323 830
Skills development levy	1 186	191	1 186	191
Short-term benefit – allowances	4 107 266	4 118 965	4 107 266	4 118 965
Short-term benefit – pension	2 366 267	2 600 839	2 366 267	2 600 839
Short-term benefit – leave gratuity	522 987	776 285	522 987	776 285
	35 347 483	**38 510 928**	**35 347 483**	**38 510 928**

19. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

	GROUP		COMPANY	
	2025	2024	2025	2024
Depreciation				
Property, plant and equipment	65 990 737	12 886 842	65 990 737	12 886 842
Amortisation				
Intangible assets	454 979	142 647	454 979	142 647
Impairment losses				
Property, plant and equipment	23 908	26 469 963	23 908	26 469 963
Total depreciation, amortisation and impairment				
Depreciation	65 990 737	12 886 842	65 990 737	12 886 842
Amortisation	454 979	142 647	454 979	142 647
Impairment losses	23 908	26 469 963	23 908	26 469 963
	66 469 624	**39 499 452**	**66 469 624**	**39 499 452**

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (CONTINUED)

20. CASH (USED IN)/GENERATED FROM OPERATIONS

	GROUP		COMPANY	
	2025	2024	2025	2024
(Loss) profit before taxation	(89 411 117)	(94 313 581)	(89 411 116)	(94 313 581)
Adjustments for non-cash items				
Depreciation, amortisation, impairments and reversals of impairments	66 530 623	26 908 027	66 530 623	26 908 027
Movements in provisions for contractor cost	2 700 539	(165 421 923)	2 700 539	(165 421 923)
Adjust for items presented separately				
Interest income	(40 987 675)	(37 667 261)	(39 805 259)	(37 667 261)
Finance costs	15 703 978	8 143 574	15 703 978	8 143 574
Changes in working capital				
(Increase) decrease in inventories	9 552 847	220 093 221	9 552 847	220 093 221
(Increase) decrease in trade and other receivables	(5 387 336)	(13 341 438)	(5 387 336)	(13 341 438)
(Increase) decrease in prepayments	(12 556)	(405 484)	(12 556)	(405 484)
Increase (decrease) in trade and other payables	(9 390 349)	(73 749 978)	(9 390 349)	(73 945 846)
Increase (decrease) in environmental rehabilitation liability	-	182 222 118	-	182 222 118
	(50 701 046)	**52 467 275**	**(49 518 629)**	**52 271 407**

21. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	GROUP		COMPANY	
	2025	2024	2025	2024
Contingent liability 1: PL Marine (Pty) Ltd: Case no 2080/2020				
Estimated financial effect	10 960 740	10 960 740	10 960 740	10 960 740

Alexkor SOC Limited and PSJV received summons during 2020 in the amount of R10 960 740 for delictual damages. A trial date is still to be sought.

21. CONTINGENT LIABILITIES AND CONTINGENT ASSETS (CONTINUED)

	GROUP		COMPANY	
	2025	2024	2025	2024
Contingent liability 2: Alexander Bay Diamond Company (SSI): Case no 2129/2020				
Estimated financial effect	9 636 535	9 636 535	9 636 535	9 636 535

Alexkor SOC Limited and the PSJV received summons during 2020 for contractual damages for unpaid commission. The matter has been defended and we have a filed a plea.

SSI had objected to amendments, and as a result we have applied to the High Court in Kimberley for leave to amend the plea, which has been set down for 14 February 2025 and judgment has been reserved. On 23 May 2025, the court handed down judgment and held that the application for leave to amend be granted, and that the amended pages be served 14 days after receipt of the judgment.

On or about 26 June 2025, SSI filed its replication to the Alexkor's amended plea. Accordingly, Alexkor will now provide a supplemented discovery bundle incorporating the documents provided for in the amended plea.

Contingent liability 3: Mervyn Carstens: Case no JR2136/2020				
Estimated financial effect	3 200 000	3 200 000	3 200 000	3 200 000

Mervyn Carstens contends his suspension as unlawful and is claiming damages in this regard.

On 27 October 2023, the Labour Court handed down judgment in the application to set aside the pre-arbitration minute, dismissing the application, and ordered that the CCMA set the arbitration down as soon as possible.

On 13 February 2024 Judge Mahosi handed down judgment in the review, and held that the suspension was substantively fair, however, she found that the suspension was procedurally unfair, in that there was an inordinate delay between Mervyn Carstens' suspension and his ultimate dismissal from the PSJV, and as a result awarded him three months compensation, which roughly equates to R800 000.00.

We have applied for leave to appeal Judge Mahosi's judgment. The application for leave to appeal has been outstanding with the judge, as at the end of June 2025, for a period of 15 months.

Contingent liability 4: Keami Investments: Case no GPRANRC1411/2022				
Estimated financial effect	231 597	-	231 597	-

Keami Investments instituted action against Alexkor SOC Limited in respect of invoices raised as a result of training services provided by Keami to Alexkor SOC Limited.

The trial was set down to run for two days in March 2025. However, because of the amendment to the plea as well as the application to stay proceedings so that a review of the Keami service level agreement be considered by a higher court, the trial was removed from the roll with costs in the cause.

Keami filed its answering affidavit in the application to stay proceedings as well as its plea to the claim in reconvention on 16 May 2025.

21. CONTINGENT LIABILITIES AND CONTINGENT ASSETS (CONTINUED)

	GROUP		COMPANY	
	2025	2024	2025	2024
Contingent liability 5: Marco Louw				
Estimated financial effect	144 000	144 000	144 000	144 000

Summons issued in respect of a CCMA arbitration award in the amount of R144 000.00. Messina Inc have since taken over the matter from Ningiza Horner Attorneys and is translating the 540-page CCMA record from Afrikaans to English, for consideration and preparation and holding a pre-trial

Contingent liability 6: Canvas Intelligence (Pty) Ltd: Case no: 2281/2020				
Estimated financial effect	934 281	934 281	934 281	934 281

Canvas Intelligence has instituted a claim against Alexkor RMC JV in respect of a contract/contractual dispute.

Other matters

1. **Richtersveld Mining Company and 13 others Case No 946/2016**

   The high court in Kimberley has handed down judgment in relation to the confirming that certain directors of RMC have been duly appointed as directors on the PSJV board. RMC has since been place under business rescue. A review will be conducted as to whether to set aside the appointment of the directors. No estimated liability.

   On 26 April 2024 the court further extended the rule nisi and interim order to 30 August 2024 for the purposes of allowing Henk Smith and the 12th and 13th respondents to file their opposing papers by 1 July 2024.The 12th respondent filed his opposing papers on 3 July 2024, and Alexkor filed its response thereto on 6 August 2024.At the return date of 30 August 2024, the court postponed the matter to the opposed roll for hearing on 5 September 2025. The effects of the postponement is that the rule nisi and interim order have been extended to 5 September 2025 for the purposes of arguing the opposed motion and dealing with the ancillary issues relating to the RMC and the restitution entities. The application to set aside the business rescue is set down, on the unopposed roll, for 3 October 2025.

2. **Mervyn Carstens Case no: J0A07/24 LC Case No J1053/21**

   The suspension of an employee, an award of R800k has been ordered based on procedural unfairness. The matter is being appealed. On 15 May 2025 the Labour Appeal Court handed down judgment dismissing Alexkor's appeal with costs noting that the next step for Alexkor is to continue with the arbitration alternatively to file a further appeal to the Constitutional Court. No further steps are being taken in this matter, and Alexkor are preparing for arbitration.

3. **VAST Mineral Sands (Pty) Ltd SCA Case No: 557/2024**

   The matter before the courts regarding the prospecting rights of Vast Mineral. Currently the prospecting rights have been extended to 2026 but matter is being appealed in the Supreme Court of Appeal.

4. **The Department of Forestry, Fisheries and Environmental Affairs and two others Case No: 36510/2023**

   An application to review the decision by the Minister of Forestry, Fisheries and the Environment to dismiss Alexkor's objection against the DFFE's decision to issue it with a compliance notice in respect of its coffer dam mining activities, was launched in the Gauteng High Court, Pretoria in April 2023. The review application has been set down to proceed on 2 February 2026.

22. RELATED PARTIES

Relationships

Ultimate holding company	Department of Mineral and Petroleum Resources
Holding company	Alexkor SOC Limited
Subsidiaries	Alexkor Rehabilitation Trust
Joint venture	Alexkor RMC Pooled and Sharing Joint Venture (PSJV)
Other related parties	Richtersveld Mining Company (Pty) Ltd
Government-related parties	State Diamond Trader
	Eskom SOC Limited
	Telkom SOC Limited
	Special Investigating Unit
	Department of Water Affairs
	Department of Health
	South African Revenue Service
	Department of Public Works
	Department of Defence
	SA Civil Aviation Authority
	Mine Health and Safety Council
	Department of Employment and Labour
	SAMSA
	Health Professional Council of South Africa
	SABS Commercial SOC Ltd
	Sentech Limited
	South African Post Office
	Richtersveld Municipality
	High School Alexander Bay
	Gaffie Maree Primary School
	South African Police Service
	Department of Education

22. RELATED PARTIES (CONTINUED)

	GROUP		COMPANY	
	2025	2024	2025	2024
Related-party balances				
Amounts included in trade receivable (trade payable) regarding related parties				
Telkom SOC Limited	18 506	41 429	18 506	41 429
Department of Public Works	44 088	28 824	44 088	28 824
Department of Defence	241 830	1 974	241 830	1 974
Department of Health	74 970	-	74 970	-
Sentech Limited	7 841	-	7 841	-
Telkom SOC Limited	(27 605)	(73 899)	(27 605)	(73 899)
SA Civil Aviation Authority	-	(9 406)	-	(9 406)
Related-party transactions				
Purchases from (sales to) related parties				
State Diamond Trader	(9 629 524)	(15 743 447)	(9 629 524)	(15 743 447)
Eskom SOC Limited	25 001 442	24 538 524	25 001 442	24 538 524
SA Civil Aviation Authority	-	9 406	-	9 406
Telkom SOC Limited	411 551	469 864	411 551	469 864
Administration and consultation fees paid to (received from) related parties				
Special Investigating Unit	-	2 612 319	-	2 612 319
Department of Employment and Labour	1 020	-	1 020	-
Mine Health and Safety Council	70 198	-	70 198	-
SAMSA	2 182	-	2 182	-
Health Professional Council of South Africa	1 995	-	1 995	-
SABS Commercial SOC Ltd	9 211	-	9 211	-
South African Post Office SOC Ltd	62 513	-	62 513	-
Compensation to directors and other key management				
Short-term employee benefits	1 673 740	1 719 982	1 673 740	1 719 982

23. DIRECTORS' EMOLUMENTS

NON-EXECUTIVE DIRECTORS' EMOLUMENTS	2025							
	Board fees	Annual retainer	Audit and Risk committee	Social, Ethics and Human Resources Committee	Environmental Rehabilitation and Operations Committee	Rehabilitation Trust	Interviews	Total
Services as director or prescribed officer								
Dineo Peta (Chairperson)	177 000	122 200	63 600	-	79 200	13 200	18 360	473 560
Hilary Swartbooi	118 800	122 200	-	47 600	-	-	-	288 600
Dr Patricia Hanekom (previous chairperson)	118 800	220 000	-	-	-	-	-	338 800
Quentin Green	125 400	122 200	99 000	45 000	-	-	-	391 600
Prof Francis Petersen	52 800	48 880	31 800	-	47 700	-	-	181 180
	592 800	**635 480**	**194 400**	**92 600**	**126 900**	**13 200**	**18 360**	**1 673 740**

NON-EXECUTIVE DIRECTORS' EMOLUMENTS	2024						
	Board fees	Annual retainer	Audit and Risk committee	Social, Ethics and Human Resources Committee	Environmental Rehabilitation and Operations Committee	Reimbursement costs	Total
Services as director or prescribed officer							
Dineo Peta (Chairperson)	198 000	122 200	39 600	-	31 800	-	391 600
Hilary Swartbooi	145 200	122 200	-	31 800	-	-	299 200
Prof May Hermanus	79 200	-	-	-	19 800	-	99 000
Alan Roberts	198 000	91 650	-	31 800	-	-	321 450
Dr Patricia Hanekom (previous chairperson)	158 400	220 000	31 800	-	-	-	410 200
Karabo Mbele	26 400	122 200	-	19 800	-	-	168 400
	592 800	**678 250**	**71 400**	**83 400**	**51 600**	**-**	**1 689 850**

23. DIRECTORS' EMOLUMENTS (CONTINUED)

Services as director or prescribed officer of any other company in the group

	2024						
NON-EXECUTIVE DIRECTORS' EMOLUMENTS	Board fees	Annual retainer	Audit and Risk committee	Social, Ethics and Human Resources Committee	Environmental Rehabilitation and Operations Committee	Reimbursement costs	Total
A Cloete (PSJV)	-	-	-	-	-	1 200	1 200
A Joseph (PSJV)	-	-	-	-	-	1 200	1 200
H de Wee (PSJV)	-	-	-	-	-	7 632	7 632
N Swartbooi (PSJV)	-	-	-	-	-	1 200	1 200
R Thomas (PSJV)	-	-	-	-	-	8 868	8 868
	-	-	-	-	-	20 100	20 100
	805 200	678 250	71 400	83 400	51 600	20 100	1 709 950

	2025			
PRESCRIBED OFFICERS	Board fees	Rehabilitation Trust	Interviews	Total
Services as director or prescribed officer				
Prof. Trevor Fowler	642 772	-	-	642 772
CFO secondment (BDO)	-	1 858 824	98 398	1 957 222
	642 772	**1 858 824**	**98 398**	**2 599 994**
Services as director or prescribed officer of any other company in the group				
Prof Trevor Fowler	537 680	-	-	537 680
	1 180 452	**1 858 824**	**98 398**	**3 137 674**

24. PRIOR-PERIOD ERRORS

Management have identified a number of errors relating to prior periods, accordingly a number of prior period adjustments have been made. Certain of the prior period adjustments reflect historical errors relating to the recognition of property pant and equipment (IAS 16), investment property IAS 40), provisions (IAS 37, IFRIC 1), receivables (IFRS 9) and taxation (IAS 12). The errors relate to incorrect application of IAS 16, IAS 40, IAS 37, IFRIC 1, IAS 12 and are as follows:

- The decommissioning and restoration asset was not previously recognised in accordance with the requirements of IAS 16, IAS 37 and IFRIC 1.
- The decommissioning and restoration provision did not agree with the valuation report of the expert.
- Investment property was not accurately adjusted for changes in its fair value.
- The calculation of expected credit losses on receivables were performed in accordance with the requirements of IFRS 9.
- Deferred tax was not recognised as per the requirements of IAS 12.

These adjustments have been recognised in accordance with the requirements of IAS 8: Accounting policies, changes in accounting estimates and errors, with the financial statements restated accordingly. The impact of the prior period adjustments on the financial statements are set out in the table below:

	GROUP		COMPANY	
	2025	2024	2025	2024
Property, plant and equipment	40 395 448	323 137 718	363 533 166	-
Investment property	247 571 945	(36 529 744)	211 042 201	-
Intangible assets	893 920	(122 568)	771 352	-
Investment in subsidiaries	245 729 871	(615 743)	245 114 128	-
Deferred tax	-	37 110 072	37 110 072	-
Inventories	30 069 433	(9 912 599)	20 156 834	-
Prepayments	1 028 109	(872 794)	155 314	-
Investments at fair value	75 658 602	9 768 934	85 427 536	-
Cash and cash equivalents	423 191 173	(10 095 167)	413 096 006	-
Trade and other receivables	75 334 929	(16 717 455)	58 617 474	-
Provisions (non-current)	-	(484 658 953)	(484 658 953)	-
Provisions (current)	(17 242 552)	607 326	(16 635 226)	-
Trade and other payables	(75 789 947)	(5 517 621)	(81 307 568)	-
Normal tax	-	(19 555 673)	(19 555 673)	-
Retained income (opening)	(373 513 579)	46 721 264	(326 792 315)	-
Loans to group companies	52 015 518	(52 015 518)	-	-
Bank overdraft	(1 504 454)	1 504 454	-	-
Environmental rehabilitation liability	(387 030 157)	387 030 157	-	-
Loans from group companies	(2 750 056)	2 750 056	-	-
Profit or loss				
Revenue	(562 325 189)	(1 845 663)	(564 170 852)	-
Other operating income	(5 773 587)	(8 472)	(5 782 060)	-
Finance costs	8 143 574	7 224 122	15 367 969	-
Other operating gains (losses)	-	36 529 744	36 529 744	-
Taxation	-	(93 796 708)	(93 796 708)	-
Cost of sales	446 994 259	9 284 451	456 278 710	-
Other operating expenses	128 225 334	63 104 759	191 330 093	-
Investment income	47 486 916	(9 819 655)	37 667 261	-
Movement in credit loss allowances	(15 493 065)	15 493 065	-	-

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (CONTINUED)

25. GOING CONCERN

The consolidated annual financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the company will realise its assets and discharge its liabilities in the normal course of business. Alexkor's principal business operation, the pooling and sharing joint venture in which the company owns 51% participation interest reported cash and cash equivalents as at 31 March 2025 of R173 million (2024: R219 million).

The current mining licence applications once approved shall be valid until 2030 for land mining and 2035 for marine mining. These licences will allow the company to carry on business as a mining company into the foreseeable future. Part of the company's strategic growth measures include entering into business partnership with other big mining companies to unlock mineral deposits in the mid and deep sea waters. New developments in technology will mitigate the challenges faced by marine mining operations during adverse weather conditions and this will significantly increase the production in good quality diamonds.

These annual financial statements do not give effect to any adjustments, which could be material, and which would be necessary should the company be unable to continue as a going concern and, therefore, be required to realise its assets and discharge its liabilities in other than the normal course of business and at amounts different than those reflected in the financial statements.

26. FRUITLESS AND WASTEFUL EXPENDITURE

	GROUP		COMPANY	
	2025	**2024**	**2025**	**2024**
Balance in the beginning of the year	15 384 258	-	15 384 258	-
Incurred in the current year	3 452 347	15 384 258	3 452 347	-
	18 836 605	**15 384 258**	**18 836 605**	**546 403**

The material losses, through fruitless and wasteful expenditure has been identified and reportable in terms of Section 22(2)(b)(i) of the Public Finance Management Act No 1 of 1999 as amended.

27. IRREGULAR EXPENDITURE

	GROUP		COMPANY	
	2025	**2024**	**2025**	**2024**
Opening balance	27 887 305	4 225 499	27 887 305	4 225 499
Irregular expenditure identified during the year	26 560 187	23 661 806	26 560 187	23 661 806
	54 447 492	**27 887 305**	**54 447 492**	**27 887 305**

Irregular expenditure is expenditure incurred in contravention of or that is not in accordance with the requirements of any of the applicable legislation, including Public Finance Management Act No 1 of 1999 (PFMA) or the State Tender Board Act 1968 or any regulations made in terms of that Act.

28. FINANCIAL RISK MANAGEMENT

This note explains the group's exposure to financial risks and how these risks could affect the group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

28.1 MARKET RISK

28.1.1 PRICE RISK

Exposure

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either as at fair value through other comprehensive income (note 7(c)) or at fair value through profit or loss (note 7(d)).

To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

The majority of the group's equity investments are not publicly traded.

28.2 CREDIT RISK

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at fair value through profit or loss and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

28.2.1 RISK MANAGEMENT

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

The group's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

28.2.2 IMPAIRMENT OF FINANCIAL ASSETS

The group has four types of financial assets that are subject to the expected credit loss model:

- trade receivables for sales of inventory, and
- debt investments carried at fair value through other comprehensive income.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables and contract assets

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

The expected loss rates are based on the payment profiles of sales over a period of 36 month. However, trade receivables over 90 days are generally provided as credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP and the unemployment rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

28.3 LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. At the end of the reporting period the group held deposits at call as per note 16 that are expected to readily generate cash inflows for managing liquidity risk.

Management monitors rolling forecasts of the group's liquidity reserve comprising the cash and cash equivalents (note 7(e)) on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the group in accordance with practice and limits set by the group. In addition, the group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against regulatory requirements and maintaining debt financing plans.

29. NEW STANDARDS AND INTERPRETATIONS

29.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

In the current year, the group 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	01 January 2023	The impact of the amendment is not material.
Initial application of IFRS 17 and IFRS 9 Comparative information	01 January 2023	The impact of the amendment is not material.
Lease liability in a sale and leaseback	01 January 2023	The impact of the amendment is not material.

30. LEASES (GROUP AS LESSEE)

The group leases office premises in Johannesburg from Eskom Holdings SOC Ltd under a property lease. Rentals escalate annually based on consumer price inflation (index-linked). The lease contains standard renewal/termination options and no purchase option.

31. JOINT ARRANGEMENTS

Joint operations

The following joint operations are material to the group:

		2025	2024
	COUNTRY OF INCORPORATION	% OWNERSHIP INTEREST	
Joint operation			
Alexkor RMC PSJV	South Africa	51%	51%

32. DEFERRED TAX ASSET

	GROUP		COMPANY	
	2025	2024	2025	2024
Deferred tax liability				
Other deferred tax liability - 1	57 377 050	37 110 072	57 377 050	37 110 072

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax asset				
Deferred tax liability	57 377 050	37 110 072	57 377 050	37 110 072

	GROUP		COMPANY	
	2025	2024	2025	2024
At beginning of year	37 110 072	35 384 426	37 110 072	35 384 426
Taxable/(deductible) temporary difference movements in property, plant and equipment	16 775 802	(74 359 183)	16 775 802	(74 359 183)
Taxable/(deductible) temporary difference movement on intangible fixed assets	88 184	63 968	88 184	63 968
Taxable/(deductible) temporary difference movements in prepayments	(3 390)	126 174	(3 390)	126 174
Taxable/(deductible) temporary difference movements in provisions	3 406 382	75 894 687	3 406 382	75 894 687
	37 110 072	37 110 072	**57 377 050**	37 110 072

32. DEFERRED TAX ASSET (CONTINUED)

Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

32. OTHER OPERATING GAINS (LOSSES)

	GROUP		COMPANY	
	2025	2024	2025	2024
Fair-value gains (losses)				
Environment rehabilitation liability designated as at fair-value through profit or loss	(162 306 922)	9 778 136	(162 306 922)	9 778 136

33. CURRENT TAX PAYABLE (RECEIVABLE)

	GROUP		COMPANY	
	2025	2024	2025	2024
Normal tax	(24 483 541)	(24 483 541)	(24 483 541)	(24 483 541)

34. OTHER NON-OPERATING GAINS (LOSSES)

		GROUP		COMPANY	
	Notes	2025	2024	2025	2024
Gains (losses) on disposals, scrappings and settlements					
Non-current assets held for sale and disposal groups		-	(36 529 744)	-	(36 529 744)

35. CHANGE IN ESTIMATE

Operating (loss) profit for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external				
Audit fees	3 851 409	6 359 367	3 851 409	6 359 367
Remuneration, other than to employees				
Consulting and professional services	15 640 469	12 509 082	14 458 052	12 509 082
Employee costs				
Salaries, wages, bonuses and other benefits	28 350 963	31 014 839	28 350 963	31 014 839
Short-term benefit — allowances	4 107 266	4 118 965	4 107 266	4 118 965
Pension — defined contribution plans	2 366 267	2 600 839	2 366 267	2 600 839
Short-term benefit — leave gratuity	522 987	776 285	522 987	776 285
Total employee costs	**35 347 483**	**38 510 928**	**35 347 483**	**38 510 928**
Depreciation and amortisation				
Depreciation of property, plant and equipment	65 990 737	12 886 842	65 990 737	12 886 842
Amortisation of intangible assets	454 979	142 647	454 979	142 647
Total depreciation and amortisation	**66 445 716**	**13 029 489**	**66 445 716**	**13 029 489**
Impairment losses				
Property, plant and equipment	23 908	26 469 963	23 908	26 469 963
Movement in credit loss allowances				
Loans to shareholders	-	79 552 063	-	79 552 063

36. OTHER NON-OPERATING GAINS (LOSSES)

		GROUP		COMPANY	
	Notes	2025	2024	2025	2024
Fair value gains (losses)					
Investment property	3	-	79 552 063	-	79 552 063

37. TAXATION

Major components of the tax income

	Notes	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Current					
Current tax 1		-	19 555 673	-	19 555 673
Deferred					
Deferred tax 1		(20 266 978)	(113 352 381)	(20 266 978)	(113 352 381)
		(20 266 978)	**(93 796 708)**	**(20 266 978)**	**(93 796 708)**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.					
Accounting profit (loss)		(89 840 695)	(12 334 282)	(89 840 694)	(12 334 282)
Tax at the applicable tax rate of 27% (2024: 27%)		-	(3 330 256)	-	(3 330 256)
Tax effect of adjustments on taxable Income					
Fair value adjustment losses		-	9 863 031	-	9 863 031
Bad debt		-	9 359 072	-	9 359 072
Depreciation		-	3 479 447	-	3 479 447
Impairment		-	7 146 890	-	7 146 890
Wear and tear allowances		-	(221 919)	-	(221 919)
SARS interest, fines and penalties		-	4 148 809	-	4 148 809
Assessed loss		-	(10 889 401)	-	(10 889 401)
Timing differences (deferred tax)		(20 266 978)	(113 352 381)	(20 266 978)	(113 352 381)
		(20 266 978)	**(93 796 708)**	**(20 266 978)**	**(93 796 708)**

38. TAX REFUNDED

Balance at beginning of the year		(24 483 541)	(4 927 868)	(24 483 541)	(4 927 868)
Current tax recognised in profit or loss		-	(19 555 673)	-	(19 555 673)
Balance at end of the year		24 483 541	24 483 541	24 483 541	24 483 541
		-	-	-	-

Revenue					
Sale of goods		121 242 542	553 113 218	121 242 542	553 113 218
Rendering of services		3 248 388	2 780 696	3 248 388	2 780 696
Rental income on investment property		8 184 858	8 276 937	8 184 858	8 276 937
	13	**132 675 788**	**564 170 851**	**132 675 788**	**564 170 851**
Cost of sales					
Opening stock		(20 156 834)	(250 162 654)	(20 156 834)	(250 162 654)
Purchases		(71 913 601)	(226 252 068)	(71 913 601)	(226 252 068)
Cost of manufactured goods		-	(20 822)	-	(20 822)
Closing stock		10 603 987	20 156 834	10 603 987	20 156 834
	14	**(81 466 448)**	**(456 278 710)**	**(81 466 448)**	**(456 278 710)**
Gross profit		51 209 340	107 892 141	51 209 340	107 892 141
Other operating income					
Bad debts recovered		11 677	-	11 677	-
Other income		2 886 433	5 782 060	2 886 433	5 782 060
	15	**2 898 110**	**5 782 060**	**2 898 110**	**5 782 060**
Other operating gains (losses)					
Losses on disposal of assets or settlement of liabilities		-	(36 529 744)	-	(36 529 744)
Movement in credit loss allowances	35	(60 999)	-	(60 999)	-
Expenses (refer to page 118)		**(168 741 265)**	**(191 330 093)**	**(167 558 848)**	**(191 330 093)**
Operating (loss) profit	35	(114 694 814)	(114 185 636)	(113 512 397)	(114 185 636)
Investment income	16	40 558 097	37 667 261	39 375 681	37 667 261
Finance costs	17	(15 703 978)	(15 367 970)	(15 703 978)	(15 367 970)
Other non-operating gains (losses)					
Fair value gains on the investment property		-	79 552 063	-	79 552 063
(Loss) profit before taxation		(89 840 695)	(12 334 282)	(89 840 694)	(12 334 282)
Taxation	37	20 266 978	93 796 708	20 266 978	93 796 708
Total comprehensive (loss) income for the year		**(69 573 717)**	**81 462 426**	**(69 573 716)**	**81 462 426**

	Notes	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Other operating expenses					
Advertising		(145 052)	(277 610)	(145 052)	(277 610)
Amortisation		(454 979)	(142 647)	(454 979)	(142 647)
Auditor's remuneration — external audit		(3 851 409)	(6 359 367)	(3 851 409)	(6 359 367)
Bad debts		(439 905)	(34 663 229)	(439 905)	(34 663 229)
Bank charges		(488 607)	(335 379)	(488 607)	(335 379)
Cleaning		(326 658)	(965 563)	(326 658)	(965 563)
Computer expenses		-	(55 731)	-	(55 731)
Consulting fees		(11 417 221)	(4 198 714)	(10 234 804)	(4 198 714)
Consumables		(606 418)	(790 668)	(606 418)	(790 668)
Depreciation		(65 990 737)	(12 886 842)	(65 990 737)	(12 886 842)
Employee costs		(35 347 483)	(38 510 928)	(35 347 483)	(38 510 928)
Entertainment		(16 630)	(33 712)	(16 630)	(33 712)
Change in provision		(69 830)	-	(69 830)	-
Health and safety		(309 705)	(326 291)	(309 705)	(326 291)
Hire		(755 568)	(1 082 367)	(755 568)	(1 082 367)
Impairment		(23 908)	(26 469 963)	(23 908)	(26 469 963)
Insurance		(447 643)	(925 259)	(447 643)	(925 259)
Legal fees		(4 223 248)	(8 310 368)	(4 223 248)	(8 310 368)
Medical expenses		(205 903)	(184 711)	(205 903)	(184 711)
Motor vehicle expenses		(2 911 212)	(9 562 555)	(2 911 212)	(9 562 555)
Municipal expenses		(18 476 996)	(21 389 792)	(18 476 996)	(21 389 792)
Pest control		(12 745)	-	(12 745)	-
Printing and stationery		(255 353)	(78 135)	(255 353)	(78 135)
Repairs and maintenance		(2 076 362)	(1 848 175)	(2 076 362)	(1 848 175)
Security		(13 588 996)	(14 653 194)	(13 588 996)	(14 653 194)
Socio and economic assistance		(1 425 926)	-	(1 425 926)	-
Staff welfare		(1 627 370)	(1 030 634)	(1 627 370)	(1 030 634)
Subscriptions		(606 537)	(277 560)	(606 537)	(277 560)
Sundry expenses		(381 283)	(2 879 575)	(381 283)	(2 879 575)
Telephone and fax		(385 371)	(798 357)	(385 371)	(798 357)
Training		(963 528)	(1 175 664)	(963 528)	(1 175 664)
Transport and freight		(180 815)	(218 577)	(180 815)	(218 577)
Travel — local		(727 867)	(898 526)	(727 867)	(898 526)
		(168 741 265)	**(191 330 093)**	**(167 558 848)**	**(191 330 093)**

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