

**JSW PANAMA HOLDINGS
CORPORATION AND SUBSIDIARY**

Special purpose consolidated financial statements
for the years ended march 31, 2025 and 2024
and independent auditors' report

Contents:

Independent Auditors' Report
Statements of Financial Position
Statements of Comprehensive Income (Loss) by Function
Statements of Changes in Net Equity
Statements of Cash Flows – Indirect Method
Notes to Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
JSW Panama Holdings Corporation and Subsidiary

Opinion

We have audited the consolidated financial statements of JSW Panama Holdings Corporation and subsidiary, which comprise the consolidated statements of financial position as of March 31, 2025 and 2024, and the corresponding consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the years ended on that dates and the corresponding notes to financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of JSW Panama Holdings Corporation and subsidiary, as of March 31, 2025 and 2024, and the results of its operations and cash flows, for the years ended on that date, following the International Financial Reporting Standards issued by International Accounting Standards Board (IASB).

Basis of opinion

We conducted our audit following Generally Accepted Auditing Standards in Chile. Our responsibilities under those standards are described in the paragraphs under "Auditor's Responsibilities for the Audit of the Financial Statements" in this report. By the relevant ethical requirements for our audits of the financial statements, we are required to be independent of JSW Panama Holdings Corporation and subsidiary and to comply with our other ethical responsibilities under those requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Management's responsibility for the consolidated financial statements

The Management of the Company is responsible for the preparation and fair presentation of the consolidated financial statements following International Financial Reporting Standards. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the financial statements, Management is required to evaluate whether there are facts or circumstances that, taken as a whole, cast substantial doubt about JSW Panama Holdings Corporation and subsidiary's ability to continue as a going concern for twelve months from the end of the reporting period, without being limited to said period.

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

Our objectives are to obtain reasonable assurance about whether the financial statements are exempt from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is high, but not an absolute level of assurance and, therefore, does not provide a guarantee that an audit performed by Generally Accepted Auditing Standards in Chile will always detect a material misstatement when it exists. The risk of not detecting a material misstatement due to fraud is greater than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, concealment, misrepresentations, or disregard of controls by the Management. A misstatement is considered material if, individually or as aggregate data, it would influence the judgment of a reasonable user of these financial statements.

As part of an audit performed by Generally Accepted Auditing Standards in Chile, we:

- Exercise our professional judgment and maintain our professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures in response to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to an audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of JSW Panama Holdings Corporation and subsidiary's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
- Conclude whether in our judgment there are facts or circumstances that, considered as a whole, cast substantial doubt about JSW Panama Holdings Corporation and subsidiary's ability to continue as a going concern for at least twelve months from the end of the reporting period, without being limited to said period.

We are required to communicate to those responsible for Corporate Governance, among other matters, the planned timing and scope of the audit and significant audit findings, including any significant deficiencies and material weaknesses in internal control that we identify during our audit.

Restriction on use and distribution

This report has been issued solely for the internal use and knowledge of JSW Panama Holdings Corporation and subsidiary Management, partners and financial institutions. It should not be distributed to any other third party.

CYP Auditores & Integra-International

April 29, 2025
Santiago, Chile



Juan E. González S.
Rut: 10.758.365-3

JSW PANAMA HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATE STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2025 AND 2024
(In US dollars - US\$)

ASSETS	Note No.	2025 US\$	2024 US\$
NON - CURRENT ASSETS:			
Property, plant and equipment, net	7	-	-
Account receivable from related company	16	2.158.598	2.098.824
Intangible Assets, net	8	-	-
Other non-financial assets	9	-	-
Total non-current assets		<u>2.158.598</u>	<u>2.098.824</u>
CURRENT ASSETS:			
Cash and cash equivalents	17	43.146	43.146
Account receivables	10	1.171	1.171
Total current assets		<u>44.317</u>	<u>44.317</u>
TOTAL ASSETS		<u><u>2.202.915</u></u>	<u><u>2.143.141</u></u>
NET DEFICIT AND LIABILITIES			
NET EQUITY			
Paid-in capital	14	100.000	100.000
Other reserves		57.288	57.288
Accumulated losses		<u>(184.571.616)</u>	<u>(177.085.178)</u>
Deficit attributable to owners of the Company		<u>(184.414.328)</u>	<u>(176.927.890)</u>
Non-controlling interest	11	<u>(10.284.329)</u>	<u>(9.872.133)</u>
Total net deficit		<u>(194.698.657)</u>	<u>(186.800.023)</u>
NON-CURRENT LIABILITIES:			
Account payable to related company	15	196.894.992	188.931.870
Deferred taxed	18	-	-
Provisions, non-current	13	-	-
Total non-current liabilities		<u>196.894.992</u>	<u>188.931.870</u>
CURRENT LIABILITIES:			
Trade and other payables	12	6.580	11.294
Provisions, current	13	-	-
Total current liabilities		<u>6.580</u>	<u>11.294</u>
TOTAL NET DEFICIT AND LIABILITIES		<u><u>2.202.915</u></u>	<u><u>2.143.141</u></u>

The accompanying notes are an integral part of these special purpose financial statements.

JSW PANAMA HOLDINGS CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS BY FUNCTION FOR THE YEARS ENDED MARCH 31, 2025 AND 2024

(In US dollars- US\$)

	Notes N°	2025 US\$	2024 US\$
OPERATING COST		-	-
GROSS LOSS		-	-
Administrative expenses	4	-	-
NEGATIVE OPERATING MARGIN		-	-
Financial income		79.506	79.926
Financial expenses	6	(7.963.122)	(7.984.644)
Other expenses	5	(15.018)	(40.645)
Exchange difference, net		-	(986)
TOTAL NON-OPERATING EXPENSE		<u>(7.898.634)</u>	<u>(7.946.349)</u>
LOSS BEFORE INCOME TAX		<u>(7.898.634)</u>	<u>(7.946.349)</u>
Benefit Income tax	18	-	-
LOSS		<u>(7.898.634)</u>	<u>(7.946.349)</u>
STATEMENT OF COMPREHENSIVE LOSS			
LOSS FOR THE FINANCIAL YEAR		<u>(7.898.634)</u>	<u>(7.946.349)</u>
TOTAL COMPREHENSIVE LOSS		<u>(7.898.634)</u>	<u>(7.946.349)</u>
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
Owners of the Company		(7.486.438)	(7.530.692)
Non-controlling interests	11	<u>(412.196)</u>	<u>(415.657)</u>
Total		<u>(7.898.634)</u>	<u>(7.946.349)</u>

The accompanying notes are an integral part of these special purpose financial statements.

JSW PANAMA HOLDINGS CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN NET DEFICIT FOR THE YEARS ENDED MARCH 31, 2025 AND 2024

(Expressed in US dollars – US\$)

	Paid-in capital US\$	Other reserves US\$	Accumulated losses US\$	Attributable to Owners of the Company US\$	Non- controlling interest US\$	Total, net deficit US\$
Balances at March 31, 2023	<u>100.000</u>	<u>57.288</u>	<u>(169.554.486)</u>	<u>(169.397.198)</u>	<u>(9.456.476)</u>	<u>(178.853.674)</u>
Net loss for the financial year	<u>-</u>	<u>-</u>	<u>(7.530.692)</u>	<u>(7.530.692)</u>	<u>(415.657)</u>	<u>(7.946.349)</u>
Balances at March 31, 2024	<u>100.000</u>	<u>57.288</u>	<u>(177.085.178)</u>	<u>(176.927.890)</u>	<u>(9.872.133)</u>	<u>(186.800.023)</u>
Net loss for the financial year	<u>-</u>	<u>-</u>	<u>(7.486.438)</u>	<u>(7.486.438)</u>	<u>(412.196)</u>	<u>(7.898.634)</u>
Balances at March 31, 2025	<u>100.000</u>	<u>57.288</u>	<u>(184.571.616)</u>	<u>(184.414.328)</u>	<u>(10.284.329)</u>	<u>(194.698.657)</u>

The accompanying notes are an integral part of these special purpose financial statements.

JSW PANAMA HOLDINGS CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED MARCH 31, 2025 AND 2024

(Expressed in US dollars - US\$)

	2025 US\$	2024 US\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss	(7.898.634)	(7.946.349)
Loss Adjustments to reconcile net loss to net cash used operating activities:		
Exchange difference		986
Loss on account of loss of control of subsidiary	-	-
Changes in operating assets and liabilities:		
Accounts receivable from related parties	(59.774)	(79.926)
Account receivable	-	(1.171)
Trade and other accounts payables	(4.714)	(2.164)
Accounts payable to related parties	<u>7.963.122</u>	<u>8.028.658</u>
Net casg flow provided by (used in) operating activities	<u>-</u>	<u>34</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Net casg flow provided by (used in) investment activities	<u>-</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Net casg flow provided by (used in) financing activities	<u>-</u>	<u>-</u>
NET VARIATION OF CASH AND CASH EQUIVALENTS	<u>-</u>	<u>34</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>43.146</u>	<u>43.112</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u><u>43.146</u></u>	<u><u>43.146</u></u>

The accompanying notes are an integral part of these special purpose financial statements.

JSW PANAMA HOLDINGS CORPORATION AND SUBSIDIARY

INDEX

CONTENTS	PAGE
1.GENERAL INFORMATION	1
2.BASES OF PRESENTATION	1
2.1.Accounting principles	1
2.2.Adoption of new accounting standards	2
2.3.Responsibility for the information and estimates	3
2.4.Summary of significant accounting policies	3
3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS	7
4. ADMINISTRATIVE EXPENSES	8
5. OTHER EXPENSES	8
6. FINANCIAL EXPENSE	9
7. PROPERTY, PLANT AND EQUIPMENT	9
8. INTANGIBLE ASSETS	10
9. OTHER NON-FINANCIAL ASSETS	10
10.ACCOUNT RECEIVABLE	10
11.NON-CONTROLLING INTERES	10
12.TRADE AND OTHER PAYABLES	11
13.PROVISIONS	11
14.PAID-IN CAPITAL	11
15.BALANCES AND TRANSACTIONS WITH RELATED COMPANIES	12
16.FINANCIAL INSTRUMENTS	13
17.CASH AND CASH EQUIVALENTS	15
18.INCOME AND DEFERRED TAX	15
19.COMMITENTS AND CONTINGENCIES	16
20.SUBSEQUENT EVENTS	16

JSW PANAMA HOLDINGS CORPORATION AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED
MARCH 31, 2024 and 2023
(In US dollars - US\$)

1. GENERAL INFORMATION

JSW Panama Holdings Corporation (100% wholly owned subsidiary of JSW Steel (Netherlands) B.V.), hereafter “JSWPHC” or “the Company”, was incorporated pursuant to the laws of the Republic of Panama in September 2007 under the name “Eroush Corporation”. On March 4, 2008, the Company changed its corporate name from Eroush Corporation to JSW Panama Holdings Corporation. The main activities of the Company are investments in all types of entities and commerce of products and raw materials.

The Company holds 94.9% of Inversiones Eroush Limitada (“Inversiones Eroush”), an entity incorporated in Chile. The principal business of Inversiones Eroush is investment in mining assets. Inversiones Eroush, in turn, held 70% of Santa Fe Mining S.A. (“Santa Fe Mining”), a contractual mining company incorporated under the laws of Chile. Santa Fe Mining is the main operating arm of the Group and commenced commercial production in March 2011. Santa Fe Mining holds 99.9% of Santa Fe Puerto S.A. (“Santa Fe Puerto”), a company incorporated in Chile. The main activity of Santa Fe Puerto is the set-up of ports.

The Company owns and/or leases the rights to five mining projects through its subsidiaries Inversiones Eroush and Santa Fe Mining. These projects include Bellavista, Rebote, Viñita, Daniel and Catalina. The Bellavista project, which is a leased project by Santa Fe Mining, is currently the only project which became operational. The lease agreement was terminated during 2021. This Rebote is an adjoining property to Bellavista and is also a leased project. The Viñita project is owned by Santa Fe Mining and is in the predevelopment stage. The remaining two projects, Daniel and Catalina, are held by Inversiones Eroush and were initially purchased for a total amount of US\$52 million which was financed by bank loans and later repaid out of loans from JSW Steel Limited, the ultimate parent company.

During fiscal year 2016, the subsidiary Inversiones Eroush decided not to continue with the development of its Daniel and Catalina mining assets in view of the falling international iron ore prices. In addition, the Company has a 70% interest share in the subsidiary Santa FE Mining (“SFM”). SFM in earlier years approved a temporary suspension of all its mining operations until the iron price reaches a level to allow it carrying out a profitable and sustainable operation. During 2020 SFM terminated the lease at Bellavista due to the uncertainty in restarting the Iron ore mining operations at Chile following the outbreak of COVID 19 causing significant disturbances and slow down of economic activities. In an earlier year, IEL sold its 70% stake in SFM. The Company continues to be supported by the Group. Based on these circumstances the financial statements have been prepared on the going concern basis.

2. BASES OF PRESENTATION

2.1. Accounting principles - These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and the interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) adopted by Panama.

These consolidated financial statements have been prepared under the historical cost convention.

2.2. Adoption of new accounting standards

i. The following new Standards and Interpretations have been adopted in these financial statements:

Amendments to Standards	Effective date
Classification of Liabilities as Current or Non-Current (amendments to IAS 1)	Annual periods beginning on or after January 1, 2024
Lease Liability in a Sale and Leaseback (amendments to IFRS 16)	Annual periods beginning on or after January 1, 2024
Non-current Liabilities with Covenants (amendments to IAS 1)	Annual periods beginning on or after January 1, 2024
Amendments to Sustainability Standards (SASB) to Enhance International Applicability	Annual periods beginning on or after January 1, 2024
Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7)	Annual periods beginning on or after January 1, 2024

The application of these amendments has not had a significant effect on the amounts reported in these financial statements of the company, however, they could affect the accounting of future transactions or agreements.

ii. The following new Standards and Interpretations have been issued but are not yet effective:

New IFRS	Effective date
Presentation and Disclosure in Financial Statements (IFRS 18)	Annual periods beginning on or after January 1, 2027
Subsidiaries without Public Accountability – Disclosures (IFRS 19)	Annual periods beginning on or after January 1, 2027
Amendments to Standards	Effective date
Lack of Exchangeability (amendments to IAS 21)	Annual periods beginning on or after January 1, 2025
Classification and Measurement of Financial Instruments (amendments to IFRS 9 and IFRS 7)	Annual periods beginning on or after January 1, 2026

The Company's Management also anticipates that the future application of these amendments will not have an impact on its financial statements.

2.3. Responsibility for the information and estimates – The Management of the Group is responsible for the information contained in these consolidated financial statements. These consolidated financial statements have occasionally used estimates made by the Senior Management of the Group to quantify some of the assets, liabilities, income, expenses and commitments recorded therein. On April 29, 2025, the Senior Management approved these consolidated financial statements.

These estimates are explained in greater detail in Note 3 and involve the following:

- Impairment of assets
- Useful economic life of assets
- Provisions for litigation and other contingencies
- Calculation of deferred tax liabilities and assets
- Mineral reserves

Regardless of the fact that these estimates were made with the best information available at the time, they may possibly need to be revised in future years as a result of future events.

Such changes would be done prospectively, as stipulated in IAS 8.

2.4. Summary of significant accounting policies

- a. Statement of compliance** – These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, issued by the International Accounting Standards Board (hereinafter “IASB”) adopted in Panama.
- b. Basis of consolidation** – The consolidated financial statements incorporates the financial statements of the Company and its subsidiaries which are controlled by the Company. Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its subsidiaries as if they formed a single entity.

The consolidated financial statements include the assets, liabilities, equity and operating accounts of JSW Panama Holdings Corporation and its subsidiaries. These financial statements have been consolidated considering that the companies operate under a joint management. All intra-group transactions, balances, income and expenses have been eliminated on consolidation.

The detail of subsidiaries at March 31, 2025 and 2024 are as follows:

Name of subsidiary or sub-subsidiary	Place of incorporation and operation	Proportion of direct or indirect ownership interes		Proportion of voting power held		Principal activity
		2025	2024	2025	2024	
Inversiones Eroush Limitada	Chile	94,90%	94,90%	94,90%	94,90%	Investment in mining assets
Santa Fe Mining	Chile	0%	0%	0%	0%	Sold in 2022
Santa Fe Puerto S.A.	Chile	0%	0%	0%	0%	Sold in 2022

- c. **Functional currency** - The functional currency of the Company will be determined as the currency of the main economic environment in which it operates. Transactions other than those performed in the entity's functional currency will be converted at the exchange rate in effect on the date of the transaction. Monetary assets and liabilities denominated in currencies other than the functional one will be converted again at the year ended exchange rates. Gains or losses from the reconversion will be included in net income or losses for the year within the line item Exchange differences, net in the consolidated statement of income. The functional and presentation currency of the Company is the US dollar.
- d. **Foreign currencies** - Transactions in a currency other than a Company's functional one are considered to be "foreign currency" transactions and they are recorded in their functional currency at the exchange rate in effect on the date of the operation. At each year end, the statement of financial position amounts of monetary items in a foreign currency are valued at the year-end exchange rate and the exchange rate differences arising from such valuation are recorded in the profit or loss of the period.
- e. **Borrowing costs** - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

- f. **Taxation** - Current tax is measured at the amount expected to be paid/recovered from the revenue authorities, using the applicable tax rates and laws.

Deferred tax is the tax expected to be payable or recoverable on temporary differences (i.e. differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit). Deferred tax is accounted for using the balance sheet liability method and is provided on all temporary differences.

Deferred tax assets are recognized only to the extent that it is probable that they will be recovered through sufficient future taxable profit. The carrying amount of deferred tax assets is reviewed at each balance sheet date.

Deferred tax is calculated at the tax rates that are expected to be applied in the period when the liability is settled or the asset is realized. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also taken directly to equity.

- g. **Property, plant and equipment** - Property, plant and equipment are stated at their cost of acquisition (net of VAT) or construction. Cost comprises of all costs incurred to bring the assets to their location and working condition up to the date the assets are ready to use. Besides, the costs related directly to the construction of an asset, indirect expenses incurred up to the date of commencement of commercial production which are incidental and related to construction are capitalized as part of the construction cost.

In respect of mining projects, the values at which the assets are stated include accumulated costs corresponding to exploring, drilling and various studies performed in the Bellavista and Viñita areas. Additional amounts include the amounts contributed by Minera Santa Fe SCM, the non-controlling interest in Santa Fe Mining, related to the concessions contract on the lease agreement of Bellavista, Rebote and Viñita, environmental studies and support services relating to Bellavista and Viñita.

Leased assets are stated at the present value of the future lease payments at the time of origination. These assets relate to the leased assets for the plant used in the operations of the Bellavista project.

Property, plant and equipment are depreciated over its remaining useful life, or life of the operation, if shorter, until its residual value. The major categories of property, plant and equipment are depreciated as follows:

- Mining projects – Mining projects are depreciated over the life of the mine from the beginning of commercial production using the units of production method. The Bellavista project began commercial operation in March 2011 and it is not currently being depreciated given the temporary shutdown. The remaining projects are not currently being depreciated as commercial operation has not yet begun or has been provided for.
- Plant and equipment – Plant and equipment are depreciated over their useful life using the straight-line method of depreciation. The useful life of these assets is between 3 and 9 years.
- Vehicles – Vehicles are depreciated over their useful life using the straight-line method of depreciation. The useful life of these assets is 5 years.
- Other assets – Other assets are depreciated over their useful life using the straight-line method of depreciation. The useful life of these assets is 3 years.
- Leased assets – Leased assets are depreciated over the term of the lease agreement using the straight-line method of depreciation. The leased assets are depreciated over 5 years.
- Construction in progress – Construction in progress is not depreciated until it becomes operational and is reclassified to Plant and equipment.

The residual values and useful lives are reviewed and adjusted if appropriate, at least annually, and changes in residual values and useful lives are accounted for prospectively. As of March 31, 2023 and 2022 all of the property, plant and equipment assets have been fully written off.

- h. Mining project and preoperational expenses** - Mining project including capitalized financing costs, are depreciated on a unit of production basis, in proportion to the volume of ore extracted in the year compared with total proven and probable reserves at the beginning of the year. As of March 31, 2024 and 2023 all of the mining projects and preoperational expenses have been fully written off.

- i. Exploration costs** - The Group's mining arm, namely Santa Fe Mining, started commercial production in March 2011. Until the commencement of commercial production, all expenses incurred, including financial costs, were capitalized. These were amortized over the life of the mining assets (until the temporary shutdown). As of March 31, 2024 and 2023 all of the exploration cost and preoperational expenses have been fully written off.
- j. Intangible assets** - Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. For intangible assets with finite useful lives, amortization is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis. Intangible assets with indefinite lives are not depreciated and are tested annually for impairment as discussed below. As of March 31, 2024 and 2023 all of the intangible assets have been fully written off.
- k. Impairment of tangible and intangible assets** - At each balance sheet date, the assets are tested annually for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates their recoverable amount from the cash generating units. As of March 31, 2024 and 2023 all of the tangible and intangible assets have been fully written off.
- l. Provisions** - Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable the Group will be required to settle the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date.
- m. Trade and other receivables** - Trade and other receivables do not generally carry any interest and are normally stated at their nominal value less any impairment. Impairment losses on trade receivables are recognized within an allowance account unless the Company considers that no recovery of the amount is possible, in which case the carrying value of the asset is reduced directly.
- n. Trade and other payables** - Trade and other payables generally do not bear interest and are normally stated at their nominal value.

Financial assets and liabilities - The financial assets and liabilities are recognized in the Statement of financial position of the Group on the following basis:

- Accounts receivable - The accounts receivable are booked at its nominal value and reduced for appropriated provisions for the estimated non-recoverable amounts, based on a review of all outstanding amounts at the end of the year. Bad debts are written-off when identified.
- Accounts payable - The accounts payable are presented at its nominal value.
- Loans and debts - All the loans and debts are initially recognized at cost, which is the reasonable value of the service received, including the associated transaction costs of the loan.

- o. Cash and cash equivalents** - The Group considers liquid financial assets, which may be easily converted into cash within no more than three months and where the risk of a change in their value is insignificant, to be cash equivalents.

Operating activities: these are the activities that constitute the main source of ordinary income of the Group, as well as other activities that cannot be classified as investment or financing activities.

Investment activities: these correspond to activities of acquisition, sale or disposal through other methods of long-term assets and other investments not included in cash and cash equivalents.

Financing activities: these are the activities that cause variations in the composition of the net equity, and of the financial liabilities.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires accounting estimates, judgments and assumptions to be made regarding the values at which various assets and liabilities are reflected in the consolidated financial statements and on the reported revenues and expenses during the reporting period. These accounting estimates and judgments are based on historical experience, industry trends and other factors considered relevant and/or significant.

Actual results could differ from these accounting estimates and differences between actual results, due to impairment, if any, in the estimation of liabilities are recognized in the periods in which the results are known or materialize.

As specified in Note 2 to the consolidated financial statements, management necessarily makes judgments and estimates that have a significant effect on the figures presented in the consolidated financial statements. Changes in assumptions and accounting estimates may have a significant impact on the consolidated financial statements. The details of the most critical accounting estimates and judgments made are as follows:

- a. Impairment of assets** - The Group reviews the book value of its tangible and intangible assets to determine whether there is any indication that such assets have been impaired. In the impairment assessment, assets that fail to generate an independent cash flow are grouped together in an appropriate cash-generating unit. The recoverable amount of these assets or cash-generating unit is measured as the higher of its fair value (discounted future cash flow method) and its book value. Management necessarily applies judgments in grouping together the assets that fail to generate independent cash flows and also in the estimates, timing and values of the calculation's underlying cash flows.
- b. Useful economic life of assets** - Tangible assets are depreciated using the straight-line method over the life of the assets. Management reviews the bases used for calculating the life of assets on an annual basis; however, any change could potentially affect the depreciation rates and book values of the assets going forward.

- c. Provisions for litigation and other contingencies** - The final cost for claims, lawsuits could and closure cost provision vary due to estimates based on different interpretations of the regulations, opinions and final evaluations of the amount of the damages. Therefore, any change in the circumstances involved in this contingency could have a significant effect on the amount of the contingency provision recorded.
- d. Calculation of taxes on deferred tax liabilities and assets** - Proper valuation of the taxes on deferred tax liabilities and assets depends on several factors, including the realization of deferred tax and the timeliness of the tax payments. Current charges and payments could differ materially from such estimates due to changes in tax regulations and unforeseen future transactions having an impact on the Group's tax balance sheets.
- e. Mineral reserves** - Mineral reserves are estimates of the amount of iron ore that can be economically exploitable and legally extracted from the Group's mining properties. These reflect the Group's technical considerations of the resources that may be exploited and sold at prices exceeding the total extraction and processing cost. Changes in the reserves or resource estimates may impact upon the carrying value of exploration and evaluation assets, mining tenements, property plant and equipment, provisions for rehabilitation, recognition of deferred taxes, and depreciation and amortization charges.

4. ADMINISTRATIVE EXPENSES

At March 31, 2025 and 2024, the detail of administrative expenses is the following:

	2025 US\$	2024 US\$
Staff costs	-	-
Administrative expenses	-	-
Total Administrative expenses	<u>-</u>	<u>-</u>

5. OTHER EXPENSES

At March 31, 2025 and 2024, the detail of other expenses is as follows:

	2025 US\$	2024 US\$
Other expenses	<u>(15.018)</u>	<u>(40.645)</u>
Total	<u><u>(15.018)</u></u>	<u><u>(40.645)</u></u>

6. FINANCIAL EXPENSE

At March 31, 2025 and 2024, the detail of financial costs, is as follows:

	2025	2024
	US\$	US\$
Interest on related party loans	<u>(7.963.122)</u>	<u>(7.984.644)</u>

Interest expense to related parties relates mainly to loans outstanding with JSW Steel Limited, the ultimate parent of the Company as described in Note 15.

7. PROPERTY, PLANT AND EQUIPMENT

The composition and activity related to property, plant and equipment and accumulated depreciation as of and for the year ended March 31, 2025 and 2024, is as follows:

March 31, 2025	Mining projects	Plant and equipment	Vehicles	Other assets	Leased assets	Construction in progress	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Gross assets							
Balance at April 1, 2024	-	-	-	-	-	-	-
Low assets	-	-	-	-	-	-	-
Balance at March 31, 2025	-	-	-	-	-	-	-
Accumulated depreciation							
Balance at April 1, 2024	-	-	-	-	-	-	-
Low assets	-	-	-	-	-	-	-
Balance at March 31, 2025, net	-	-	-	-	-	-	-
Balance at March 31, 2025, net	-	-	-	-	-	-	-
March 31, 2024	Mining projects	Plant and equipment	Vehicles	Other assets	Leased assets	Construction in progress	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Gross assets							
Balance at April 1, 2023	42.454.353	-	-	-	-	-	42.454.353
Low assets	(42.454.353)	-	-	-	-	-	(42.454.353)
Balance at March 31, 2024	-	-	-	-	-	-	-
Accumulated depreciation							
Balance at April 1, 2023	(42.454.353)	-	-	-	-	-	(42.454.353)
Low assets	42.454.353	-	-	-	-	-	42.454.353
Balance at March 31, 2024, net	-	-	-	-	-	-	-
Balance at March 31, 2024, net	-	-	-	-	-	-	-

8. INTANGIBLE ASSETS

At March 31, 2025 and 2024, the detail of intangible assets is as follows:

	2025 US\$	2024 US\$
Mining concessions	-	-
Port concession	-	-
Others	-	-
Total	<u>-</u>	<u>-</u>

During 2021, the Company has decided to write off intangible assets.

9. OTHER NON-FINANCIAL ASSETS

The detail of other non-financial assets, non-current as of March 31, 2025 and 2024, is as follows:

	2025 US\$	2024 US\$
Investements in other companies	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>

10. ACCOUNT RECEIVABLE

As at March 31 2025 and 2024, to correspond to other account receivable for US\$1.171.

11. NON-CONTROLLING INTERES

The movements of non-controlling interest at March 31, 2025 and 2024 are as follows:

Subsidiary	Non- controlling share	Subsidiary deficit US\$	Non- controlling deficit share US\$	Loss for the year US\$	Non- controlling loss share US\$
March 31, 2025:					
Inversiones Eroush	5,10%	<u>(201.653.699)</u>	<u>(10.284.329)</u>	<u>(8.082.272)</u>	<u>(412.196)</u>
Total		<u>(201.653.699)</u>	<u>(10.284.329)</u>	<u>(8.082.272)</u>	<u>(412.196)</u>
March 31, 2024:					
Inversiones Eroush	5,10%	<u>(193.571.427)</u>	<u>(9.872.133)</u>	<u>(8.150.137)</u>	<u>(415.657)</u>
Total		<u>(193.571.427)</u>	<u>(9.872.133)</u>	<u>(8.150.137)</u>	<u>(415.657)</u>

12. TRADE AND OTHER PAYABLES

The detail of trade and other payables as at March 31, 2025 and 2024 is as follows:

	2025	2024
	US\$	US\$
Suppliers	<u>6.580</u>	<u>11.294</u>
Total	<u>6.580</u>	<u>11.294</u>

13. PROVISIONS

The detail of provisions at March 31, 2025 and 2024, is as follows:

	Current		Non-Current	
	2025	2024	2025	2024
	US\$	US\$	US\$	US\$
Withholdings	-	-	-	-
Mine closure provision	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

14. PAID-IN CAPITAL

a. **Shareholders** - The Company's shareholders as at March 31, 2025 and 2024 is as follows:

Shareholder	Number of shares
JSW Steel (Netherlands) B.V.	<u>100</u>

The Company's issued and fully paid up capital amounts to US\$100,000 and consists of 100 ordinary shares of a face value of US\$1,000 each.

15. BALANCES AND TRANSACTIONS WITH RELATED COMPANIES

- a. Current balances** - There are no current balances due to and from related parties.
- b. Non-current balances** - The detail of non-current balances due to or from related parties is as follows:- The detail of non-current balances due from related parties are as follows:

Company	Relationship	Receivable		Payable	
		2025 US\$	2024 US\$	2025 US\$	2024 US\$
JSW Steel (Netherlands) B.V. (1)	Parent company	2.158.598	2.098.824	-	-
JSW Steel Limited (2)	Ultimate parent	-	-	196.894.992	188.931.870
Total		<u>2.158.598</u>	<u>2.098.824</u>	<u>196.894.992</u>	<u>188.931.870</u>

(1) This loan corresponds to balance with the Shareholder JSW Steel (Netherland) B.V. which have interest rate of 7.4%.

(2) This balance is composed of loans as follows:

Fiscal Year	Capital US\$
2009	11.610.000
2010	-
2011	54.505.000
2012	13.450.000
2013	-
2014	-
2015	6.237.000
2016	8.598.000
2017	7.325.000
2018	5.529.000
2019	2.677.300
2020	1.249.000
2021	563.000
2022	234.500
2023	175.200
2024	45.000
Interest Payable	<u>84.696.992</u>
Subtotal	<u><u>196.894.992</u></u>

The loans have a rate of 7.00 % to 7.20%.

c. **Transactions** - The main transactions with related parties are as follows:

Company	Relationship	Nature of the transaction	2025 US\$	2024 US\$
JSW Steel (Netherlands) B.V.	Parent company	Interest gained	79.506	79.926
JSW Steel Limited	Ultimate parent	Loan received	-	45.000
		Interes accrued	7.963.122	7.984.644

16. FINANCIAL INSTRUMENTS

a) Financial assets

The carrying values and fair values of financial assets are as follows:

	2025		2024	
	Estimated fair value US\$	Carrying value US\$	Estimated fair value US\$	Carrying value US\$
Other financial assets and other	-	-	-	-
Accounts receivable from related companies	2.158.598	-	2.098.824	-
Total financial assets	2.158.598	-	2.098.824	-

There is no significant credit risk exposure in accounts receivable, because credit risk is managed by dealing only through irrevocable letters of credit, issued by reputed banks. Credit evaluation of customers is carried out on regular basis. No provisions have been made for uncollectible accounts at the date of the financial statements.

The fair value of trade debtors and other accounts receivable at March 31, 2025 and 2024 are not materially different to the carrying value due to the short-term nature of such accounts.

The exposure of the Company's financial assets to interest rate and currency risks are the follows:

	March 31, 2025				March 31, 2024			
	Total US\$	Variable rate US\$	Fixed rate US\$	Interest free US\$	Total US\$	Variable rate US\$	Fixed rate US\$	Interest free US\$
US dollar	2.158.598	2.158.598	-	-	2.098.824	2.098.824	-	-
Chilean pesos	-	-	-	-	-	-	-	-
Total financial assets	2.158.598	2.158.598	-	-	2.098.824	2.098.824	-	-

b) Financial liabilities

The carrying values and fair values of financial liabilities are as follows:

	2025		2024	
	Estimated fair value US\$	Carrying value US\$	Estimated fair value US\$	Carrying value US\$
Trade and other payables	6.580	6.580	11.294	11.294
Accounts payable to related company	196.894.992	196.894.992	188.931.870	188.931.870
Total financial liabilities	<u>196.901.572</u>	<u>196.901.572</u>	<u>188.943.164</u>	<u>188.943.164</u>

The exposure of the Company's financial liabilities to interest rate and currency risks are the follows:

	March 31, 2025			March 31, 2024		
	Total US\$	Variable rate US\$	Interest free US\$	Total US\$	Variable rate US\$	Interest free US\$
US dollar	196.894.992	196.894.992	-	188.931.870	188.931.870	-
Chilean pesos	<u>6.580</u>	<u>6.580</u>	<u>-</u>	<u>11.294</u>	<u>11.294</u>	<u>-</u>
Total financial liabilities	<u>196.901.572</u>	<u>196.901.572</u>	<u>-</u>	<u>188.943.164</u>	<u>188.943.164</u>	<u>-</u>

c) Exposure to and management of financial risks

Significant financial risks that the Company is exposed to are liquidity risk, foreign currency risk, interest rate risk and commodity price risk.

- **Liquidity risk**

Liquidity risk refers to the risk that the Company always has adequate funds to meet its payment obligations. This is achieved by having the funds in cash and current account bank balances. The Company manages liquidity by maintaining adequate reserves, banking facilities and financial support from its shareholder.

- **Exchange rate risk and interest rate risk**

The Company's operating currency is US dollars and the subsidiaries also maintain their accounts in US dollars.

17. CASH AND CASH EQUIVALENTS

At March 31, 2025 and 2024, the detail of cash and cash equivalents are as follows:

	2025 US\$	2024 US\$
Cash in banks	<u>43.146</u>	<u>43.146</u>

According to Panamanian regulations, companies that have transactions conducted from an office in Panama, but perfected, consummated or having effect abroad are tax exempted.

18. INCOME AND DEFERRED TAX

a) Income tax recognized in income for the year

At March 31, 2025 and 2024, the detail of the income tax expense, is as follows:

	2025 US\$	2024 US\$
Loss from continuing operations	<u>(7.898.634)</u>	<u>(7.946.349)</u>
Income tax calculated at a legal rate (27%)	2.132.631	2.145.514
Unrecognised deferred tax asset	(2.132.631)	(2.145.514)
Reversal of deferred tax liability	<u>-</u>	<u>-</u>
Income tax benefit	<u>-</u>	<u>-</u>

b) Deferred from continuing operations

At March 31, 2025 and 2024, the details of deferred taxes are as follows:

	2025 US\$	2024 US\$
Deferred tax assets		
Accumulated tax losses	2.132.631	2.145.314
Mine closure provision	-	-
Others	<u>-</u>	<u>-</u>
Total	<u>2.132.631</u>	<u>2.145.314</u>
Deferred tax liabilities		
Property, plant and equipment and unprovisioned tax loss	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>
Reversal of deferred tax liability	<u>(2.132.631)</u>	<u>(2.145.314)</u>
Total net deferred tax assets/ (liabilities)	<u>-</u>	<u>-</u>

19. COMMITMENTS AND CONTINGENCIES

The Company has not made any commitments towards capital expenses as at March 31, 2025 and 2024.

20. SUBSEQUENT EVENTS

The Company's management is not aware of any events subsequent to March 31, 2025 that could materially affect the balances and /or interpretation of these financial statement.

* * * * *