



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 986 002 480
Organisasjonsform: Aksjeselskap
Foretaksnavn: SKALAND GRAPHITE AS
Forretningsadresse: Bergsfjordveien 1668
9385 SKALAND

Regnskapsår

Årsregnskapets periode: 01.01.2024 - 31.12.2024

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Esko Pystynen
Dato for fastsettelse av årsregnskapet: 09.06.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 03.07.2025



Resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		52 764 923	64 423 152
Annen driftsinntekt			4 059 046
Sum inntekter		52 764 923	68 482 198
Kostnader			
Varekostnad	2	40 226 327	36 098 851
Lønnskostnad	3	26 518 265	29 077 583
Avskrivning på varige driftsmidler og immaterielle eiendeler	7	6 535 606	12 840 870
Nedskrivning av varige driftsmidler og immaterielle eiendeler	7		67 160 055
Annen driftskostnad	4	5 013 305	15 157 580
Sum kostnader		78 293 503	160 334 939
Driftsresultat		-25 528 580	-91 852 741
Finansinntekter og finanskostnader			
Annen finansinntekt		32 236	107 225
Sum finansinntekter		32 236	107 225
Annen finanskostnad		30 105 162	14 870 886
Sum finanskostnader		30 105 162	14 870 886
Netto finans		-30 072 926	-14 763 661
Resultat før skattekostnad		-55 601 506	-106 616 402
Skattekostnad	5		
Årsresultat		-55 601 506	-106 616 402
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-55 601 504	-106 616 402
Sum overføringer og disponeringer		-55 601 504	-106 616 402



Balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	7	5 827 318	38 745 934
Maskiner og anlegg	7	38 117 316	16 219 724
Sum varige driftsmidler		43 944 634	54 965 658
Sum anleggsmidler		43 944 634	54 965 658
Omløpsmidler			
Varer			
Varer		3 984 989	6 092 570
Sum varer		3 984 989	6 092 570
Fordringer			
Kundefordringer		1 610 634	5 807 334
Sum fordringer		1 610 634	5 807 334
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		7 870 800	9 064 120
Sum bankinnskudd, kontanter og lignende		7 870 800	9 064 120
Sum omløpsmidler		13 466 423	20 964 024
SUM EIENDELER		57 411 057	75 929 682
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	6	2 273 000	2 273 000
Sum innskutt egenkapital		2 273 000	2 273 000



Balanse

Beløp i: NOK	Note	2024	2023
Opptjent egenkapital			
Annen egenkapital	8	-269 291 762	-213 690 258
Sum opptjent egenkapital		-269 291 762	-213 690 258
Sum egenkapital		-267 018 762	-211 417 258
Gjeld			
Langsiktig gjeld			
Andre avsetninger for forpliktelser		950 000	870 000
Sum avsetninger for forpliktelser		950 000	870 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10	1 136 139	3 189 254
Langsiktig konserngjeld	9	300 638 720	257 129 073
Sum annen langsiktig gjeld		301 774 859	260 318 327
Sum langsiktig gjeld		302 724 859	261 188 327
Kortsiktig gjeld			
Leverandørgjeld		16 348 345	13 680 139
Annen kortsiktig gjeld		5 356 615	12 478 474
Sum kortsiktig gjeld		21 704 960	26 158 613
Sum gjeld		324 429 819	287 346 940
SUM EGENKAPITAL OG GJELD		57 411 057	75 929 682



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Journalnummer: 2025 609211

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Brønnøysundregistrene, 02.07.2025



Organisasjonsnr: 986 002 480
SKALAND GRAPHITE AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
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Organisasjonsnr: 986 002 480
SKALAND GRAPHITE AS

BALANSE

Beløp i: NOK Note 2024 2023

BALANSE - EIENDELER

Anleggsmidler Immaterielle eiendeler

Varige driftsmidler

Tomter, bygninger og annen fast eiendom	7	5 827 318	38 745 934
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Sum anleggsmidler		43 944 634	54 965 658
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Omløpsmidler

Varer

Varer		3 984 989	6 092 570
Sum varer		3 984 989	6 092 570

Fordringer

Kundefordringer		1 610 634	5 807 334
Sum fordringer		1 610 634	5 807 334

Bankinnskudd, kontanter og lignende

Bankinnskudd, kontanter og lignende		7 870 800	9 064 120
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Sum omløpsmidler		13 466 423	20 964 024
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SUM EIENDELER		57 411 057	75 929 682
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BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Selskapskapital	6	2 273 000	2 273 000
Sum innskutt egenkapital		2 273 000	2 273 000

Opptjent egenkapital

Annen egenkapital	8	-269 291 762	-213 690 258
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Sum egenkapital		-267 018 762	-211 417 258
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Gjeld

Langsiktig gjeld



Andre avsetninger for forpliktelse	950 000	870 000
Sum avsetninger for forpliktelse	950 000	870 000
Annen langsiktig gjeld		
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Organisasjonsnr: 986 002 480
SKALAND GRAPHITE AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
3

Antall årsverk i regnskapsåret
38.00

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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BDO AS
Sandhorngata 43
Postboks 3014
8086 Bodø

To the General Meeting of Skaland Graphite AS

Independent Auditor`s Report

Opinion

We have audited the financial statements of Skaland Graphite AS.

The financial statements
comprise:

- The balance sheet as at 31 December 2024
- The income statement for 2024
- Notes to the financial statements, including a summary of significant accounting policies

In our opinion:

- The financial statements comply with applicable statutory requirements, and
- The financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

Material uncertainty regarding the Company's ability to continue as a going concern

We draw attention to note 12, which indicates that the ability of Skaland Graphite AS to continue operations will be reliant upon the completion of the sale process and the financial capability of Norge Minerale Holdings AS. These matters and other circumstances described in note 12, indicate that material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern



and using the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

BDO AS

Roger Rambjør
State Authorised Public Accountant
(This document is signed electronically)

Note: Translation from Norwegian prepared for information purposes only.

Penneo Dokumentnøkkel: DAZ9W-FEX60-WH51E-19Y1P-N44UX-EA2C5



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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Rambjør, Roger Ådnanes

Partner

På vegne av: BDO AS

Serienummer: no_bankid:9578-5997-4-680193

IP: 188.95.xxx.xxx

2025-06-13 12:54:59 UTC



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Annual Report for 2024



Skaland Graphite AS

Statement of profit and loss

	Note	2024	2023
Revenue			
Sale of product		52,764,923	64,423,152
Other revenue		-	4,059,046
Total revenue		52,764,923	68,482,198
Expenses			
Cost of goods sold	2	(40,226,327)	(36,098,851)
Payroll costs	3	(26,518,265)	(29,077,583)
Depreciation	7	(6,535,606)	(12,840,870)
Impairment	7	-	(67,160,055)
Other operating expenses	4	(5,013,305)	(15,157,580)
Total operating costs		(78,293,503)	(160,334,939)
Operating loss		(25,528,580)	(91,852,741)
Financial income and costs			
Other financial income		32,236	107,225
Finance costs		(30,105,162)	(14,870,886)
Net finance loss		(30,072,926)	(14,763,661)
Loss before income tax		(55,601,504)	(106,616,402)
Income tax expense	5	-	-
Loss after income tax		(55,601,504)	(106,616,402)



Skaland Graphite AS

Statement of financial position

		2024	2023
Non-current assets			
Land, buildings, and other real estate	7	5,827,318	38,745,934
Machinery and plant	7	38,117,316	16,219,724
Total property, plant and equipment		43,944,634	54,965,658
<i>Financial non-current assets</i>			
Other receivables		-	-
Total financial non-current assets		-	-
Total non-current assets		43,944,634	54,965,658
Current assets			
Cash and cash equivalent		7,870,800	9,064,120
Inventories		3,984,989	6,092,570
Trade and other receivables		1,610,634	5,807,334
Total current assets		13,466,423	20,964,024
Total assets		57,411,057	75,929,682
Equity			
Share equity	6	2,273,000	2,273,000
Earned equity	8	(269,291,762)	(213,690,258)
Total equity		(267,018,762)	(211,417,258)
Non-current liabilities			
Debt to companies in the same group	9	300,638,720	257,129,073
Loans and borrowings	10	1,136,139	3,189,254
Provisions		950,000	870,000
Total non-current liabilities		302,724,859	261,188,327
Current liabilities			
Accounts payable		16,348,345	13,680,139
Provisions		3,150,099	2,988,223
Loans and borrowings	10	2,206,516	9,490,251
Total current liabilities		21,704,960	26,158,613
Total equity and liabilities		57,411,057	75,929,682



9 June 2025

Russell Tipper
Chairman of the Board

Knut-Ole Rabbmo
Director

Esko Pystynen
General Manager

Alexander Christian Lowrie
Director

Anna Rebecca Legge
Director



Skaland Graphite AS

Notes to the financial statements

Note 1 – Basis of preparation

Accounting principles

The annual accounts of Skaland Graphite A.S. (the "Company") have been prepared in accordance with the provisions of the Accounting Act and good accounting practice for small enterprises. Pursuant to section 7 of the Accounting Act, non-mandatory disclosures for small enterprises have not been disclosed.

Sales revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Currency

Foreign currency items are valued at the exchange rate at the end of the fiscal year.

Inventories

Raw materials, stores, ore stockpiles, work in progress and finished stocks are physically measured or estimated and valued at the lower of cost and market value. Market valueless costs to sell is assessed annually based on the amount estimated to be obtained from sale of the item of inventory in the normal course of business, less any anticipated costs to be incurred prior to its sale.

Weighted average cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure and depreciation and amortisation relating to mining activities, the latter being allocated on the basis of normal operating capacity. As a result of graphite products being co-products from the same mineral separation process, costs are allocated to the various finished products on the basis of the relative sales value of the finished goods produced. Market 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.

Inventories of consumable supplies and spare parts expected to be used in production are valued at the lower of weighted average cost, which includes the cost of purchase as well as transportation and statutory charges, or market value. Any provision for obsolescence is determined by reference to specific stock items identified.

Property, plant and equipment

Property, plant and equipment are capitalised and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If the carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.



Skaland Graphite AS

Notes to the financial statements (Continued)

Note 1 – Basis of preparation (Continued)

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences, both positive and negative, are balanced out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilised.

To the extent group contribution is not registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results can differ from these estimates.

Contingent losses that are probable and quantifiable are expensed as occurred.



Skaland Graphite AS

Notes to the financial statements (Continued)

Note 2 – Cost of Goods Sold

Cost of Goods Sold include the following material expenditure items:

<i>Mining and Processing Costs</i>	2024	2023
Transport	2,085,836	3,937,635
Fuel - Gas	609,285	960,629
Fuel - Diesel	3,259,924	2,957,641
Equipment Hire	5,221,664	3,752,322
Maintenance and parts	5,761,215	1,874,312
Consumables	854,996	5,404,667
Electricity	2,586,213	3,188,713

Note 3 - Payroll costs, number of employees, employee loans, and remuneration to the accountant

<i>Payroll costs</i>	2024	2023
Salaries	21,822,170	24,473,284
Retirement costs and pensions	4,696,095	4,604,299
Total	<u>26,518,265</u>	<u>29,077,583</u>

The Company employed a total of thirty-eight (38) full-time equivalent employees during the fiscal year.

<i>Benefits to the General Manager</i>	2024	2023
Salary	2,160,487	1,413,829

The Company is required to have an occupational retirement plan under the Mandatory Occupational Pensions Act. The Company's retirement plans meet the requirements of this Act.

<i>Remuneration to the accountant is divided into the following:</i>	2024	2023
Statutory audit	427,735	230,525
Other attestation services	18,500	1,500
Other services	122,600	34,499

Note 4 – Other operating expenses

Mineral Commodities Ltd, the ultimate holding company of the Company, has not charged any management fee for the year 2024 (2023: NOK 14,271,281) due to the fact that Company's immediate holding company, MRC Graphite Norway Pty Ltd (MRCGN), entered into a Share Purchase Agreement (SPA) with Norge Mineraler Holding AS to sell the ownership of the Company (refer to note 11 for more details). The decision not to charge the management fee is in line with the terms of the agreement.



Skaland Graphite AS

Notes to the financial statements (Continued)

Note 5 - Income tax

This year's tax expense	2024	2023
Entered tax on ordinary profit/loss:		
Payable tax	-	-
Changes in deferred tax assets	-	-
Tax expense on ordinary profit/loss	-	-
Taxable income:		
Results before tax	(55,601,504)	(106,616,402)
Permanent differences	-	-
Changes in temporary differences	(10,635,809)	67,037,472
Taxable income	(66,237,313)	(39,578,930)
Payable tax in the balance:		
Payable tax on this year's result	-	-
Total payable tax in the balance	-	-

The tax effect of temporary differences and losses is to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary difference:

	2024	2023	Difference
Tangible assets	(74,401,530)	(84,974,062)	(10,572,532)
Lease agreements brought to the balance	(225,742)	(369,018)	(143,276)
Allocations and more	(950,000)	(870,000)	80,000
Total	(75,577,272)	(86,213,080)	(10,635,808)
Accumulated loss to be brought forward	(144,877,650)	(78,640,337)	66,237,313
Not included in the deferred tax calculation	220,454,922	164,853,417	(55,601,505)
Deferred tax 22% (2023: 22%)	-	-	-

Deferred tax not included in the balance sheet.

Temporary differences for fixed assets have been calculated based on an opening balance (IB) derived from the closing balance (UB) of 2020, as the company has not submitted tax returns for 2021 and 2022. This has been adjusted for additions in 2021 and 2022, as well as tax depreciation for 2021, based on the Norwegian Tax Administration's discretionary assessments for that year.

For tax loss carryforwards, the Norwegian Tax Administration's discretionary assessments for 2021 and 2022, which report a taxable result of NOK 0, have been used as the basis.



Skaland Graphite AS

Notes to the financial statements (Continued)

Note 6 - Share equity and shareholder information

The share equity consists of:

	Number	Nominal Value (NOK)	Carrying (NOK)
Ordinary Shares	2,273	1,000	2,273,000

Overview of the Company's shareholders as at 31 December 2024:

	Ordinary	Nominal	Ownership	Voting
MRC Graphite (Norway) Pty Ltd	2,273	1,000	100%	100%
Total	2,273	1000	100%	100%

Note 7 – Property plant and equipment

Cost or Valuation	Mine Development	Land, buildings and other properties	Machines	Right of use assets	Work in Progress	Decommissioning Asset	Total
At 1 January 2024	-	5,797,891	10,956,536	5,263,188	32,401,793	546,250	54,965,658
Additions	-	-	-	-	-	-	-
Transfer	-	-	27,272,037	-	(27,272,037)	-	-
Write off	-	-	-	-	(4,485,418)	-	(4,485,418)
Depreciation	-	(1,066,160)	(3,228,171)	(2,146,275)	-	(95,000)	(6,535,606)
At 31 December	-	4,731,731	35,000,402	3,116,913	644,338	451,250	43,944,634

The management of the company assessed the recognition criteria of mine development assets and decided to impair it in full as a conservative approach.

Note 8 – Changes in equity

	Share capital	Other equity	Total
As at 31 December 2022	2,273,000	(105,203,890)	(102,930,890)
Prior year adjustment	-	(1,869,966)	(1,869,966)
Loss for the year	-	(106,616,402)	(106,616,402)
As at 31 December 2023	2,273,000	(213,690,258)	(211,417,258)
Loss for the year	-	(55,601,504)	(55,601,504)
As at 31 December 2024	2,273,000	(269,291,762)	(267,018,762)



Skaland Graphite AS

Notes to the financial statements (Continued)

Note 9 - Debt to companies in the same group

	2024	2023
Ultimate parent company	-	28,113,146
Immediate parent company	300,638,720	229,015,928
Total	300,638,720	257,129,074

Note 10 – Loans and borrowings

	2024	2023
Current loans and borrowings	2,206,516	9,490,251
Non-current loans and borrowings	1,136,139	3,189,254
Total	3,342,655	12,679,505

The loans and borrowings are covered by financial support from the parent company as outlined in Note 12.

Note 11 – Subsequent Events

During the financial year, MRCGN entered into a Share Purchase Agreement (SPA) with Norge Mineraler Holding AS (Norge Mineraler) to sell 100% of the ownership of Skaland Graphite AS for consideration of US\$11.5 million (NOK: 130,249,000), which was approved by the shareholders of the ultimate holding company on 10th of March 2025. All conditions precedent to the SPA were satisfied on 17 March 2025 with completion and payment due 21 March 2025. However, the process was delayed and Norge Mineraler has confirmed that completion of the transaction will occur as soon as possible and no later than 9 June 2025. Norge Mineraler is paying interest from 21 March 2025 to date at a rate of 12.5% per annum, which will increase to 20% per annum if the transaction is not completed.

Norge Mineraler's parent company has given a guarantee in favour of MRCGN, guaranteeing Norge Mineraler's performance of all of its obligations under the SPA.

Note 12 – Going Concern

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

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Skaland Graphite AS

Notes to the financial statements (Continued)

Note 12 – Going Concern (Continued)

We draw your attention to the fact that as at 31 December 2024, the Company has accumulated losses of NOK 269,291,762, with a loss recorded for the year of NOK 55,601,504.

Skaland Graphite AS is in the process of being sold to Norge Mineraler Holdings AS. The current status of the change in ownership is detailed in Note 11.

While both parties remain committed to both the completion of the transaction and the ongoing financial support for Skaland Graphite AS, neither MRC nor Norge Mineraler Holdings AS are in the position to individually certify financial support for the period to 31 December 2026.

MRC has converted its intercompany loan to equity in Skaland Graphite AS on 10 February 2025 as part of the sale agreement and no longer has a call on the Company.

The ability of Skaland Graphite to continue operations will be reliant upon the completion of the sale process and the financial capability of Norge Mineraler Holdings AS. The parent company of Norge Mineraler Holdings, Norge Mining Ltd (Group) has disclosed in its 2024 Accounts the need for further funding that remains less than certain.

As a result of the status of the transaction and of the Norge Mining Ltd (Group) the current Directors of the Company acknowledge the existence of material uncertainty which may cast doubt over the Company's ability to continue as a going concern and therefore may be unable to realise its assets and discharge its liabilities as they become due.

On the basis of all considerations, the Directors have reasonable expectations the Company has adequate resources to continue in operational existence for the foreseeable future and the necessary financial support will be forthcoming. For this reason, the Directors continue to adopt the going concern basis in preparing these financial statements. These financial statements do not include any adjustments that would result if the Company were unable to continue as a going concern.



The Norwegian
Tax Administration

Our date 26.05.2020	Your date 16.04.2020	Case officer Vibeke Horne
800 80 000 skatteetaten.no	Your reference SKA-FIN-LTR- 2020/5414180	Telephone +47 3221 2250
Org. nr. 974781078	Our reference 2020/5414180	Postal address Postboks 9200 Grønland 0134 OSLO

SKALAND GRAPHITE AS
Bergsfjordveien 1668
9385 SKALAND

Callers from abroad, please call +47 22 07 70 00

Att. Adam Bick

Permission to prepare the annual accounts and directors' report in English language for Skaland Graphite AS, org. no 986 002 480

With reference to your letter of 16 April 2020 with respect to the above matter regarding Skaland Graphite AS.

Based on a total evaluation, the view of the tax office is that Skaland Graphite AS may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

Background

Skaland Graphite AS is a 100 % owned subsidiary of a foreign company. The company conducts business related to the mining industry. The company has professional customers. English is the company's working language and they got foreign board members.

Condition for the permission

According to the Norwegian Accounting Act § 3-4, third paragraph shall "the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language".

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

"The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors, which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information."



One of the main goals of the Accounting Act is to contribute to "informative accounts for different users of accounts". The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors' report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information, which has to be taken into consideration when considering the application for permission. In this assessment, the tax office has emphasized that the company is a subsidiary of a foreign company and is a part of an international group. Furthermore, all key players and partners in this industry understand and use English.

Please state "our reference" (see above) in all written communication with the Norwegian Tax Authorities.

Yours sincerely,

Vibeke Horne
Adviser
Customer Interaction Division, Customer Service
The Norwegian Tax Administration

This document has been electronically approved and therefore has no handwritten signatures.