铁货 IRC

IRC Limited 鐵江現貨有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 1029)

2026 INTERIM RESULTS
K&S OPERATED AT 106% CAPACITY
PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF US$0.4 MILLION

CONFERENCE CALL

A conference call will be held today at 13h30 Hong Kong time to discuss the interim results. The number is +852 2112 1888 and the passcode is 1058028#. Presentation slides to accompany the call are available at www.ircgroup.com.hk. A playback of the teleconference will be available from 31 August 2026 at www.ircgroup.com.hk/en/ir_presentations.php

Friday, 28 August 2026: The Board of Directors of IRC Limited ("**IRC**" or the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the interim results of the Group for the six months ended 30 June 2026.

Financial Highlights

- Revenue rose to US$153.4 million (30 June 2025: US$122.8 million), mainly due to 17.0% increase in sales volume;
- Cash cost per tonne in Rouble terms decreased by 4.9%; but due to Rouble appreciation, cash cost per tonne in US$ terms increased by 7.8% to US$83.4 (30 June 2025: US$77.4);
- Non-HKFRS adjusted EBITDA (excluding non-recurring items and foreign exchange) of US$11.6 million (30 June 2025: US$6.7 million);
- Non-HKFRS underlying profit of US$0.7 million (30 June 2025: loss of US$3.0 million);
- No asset impairment charge (30 June 2025: US$126.9 million);
- Profit attributable to shareholders of US$0.4 million (30 June 2025: loss of US$102.0 million); and
- Completion of a rights issue raising US$41.4 million and MIC loan was fully repaid; cash and deposits decreased to US$35.3 million (31 December 2025: US$41.6 million).

Operation Highlights

- K&S operated at 106% capacity; production volume increased by 16.9% to 1,664k tonnes, (30 June 2025: 1,423k tonnes) mainly due to improved quality of ore from Sutara and technological upgrade on processing plant;
- Sales volume increased by 17.0% to 1,660k tonnes (30 June 2025: 1,419k tonnes); in line with production increase; and
- Successful development and ramping up at Sutara; K&S's own mining fleet in operation.

Commenting on the results, Nikolai Levitskii, Chairman of IRC said: *"This half-yearly period has been one of significant strategic execution and operational progress. The ramp-up of the Sutara mine site continues to be a cornerstone of our success, as this source delivers substantially better-quality ore. Complemented by the technological upgrades implemented at our processing plant, K&S managed to operate at 106% of its designed capacity and our production volume has increased by 16.9%.*

The translation of our operational success into reported financial results was complicated by significant external factors, primarily currency movements and domestic inflation. Against this headwind, our Adjusted EBITDA rose by 73.2% to US$11.6 million. Importantly, our books moved from red to black as we report a profit attributable to the owners of the Company of US$0.4 million, compared to a loss of US$102.0 million in the same period of 2025. Although the profit figure itself is modest, its significance is substantial – it clearly reflects the resilience of our operational recovery and the tangible benefits of our strategic initiatives.

A pivotal development was the successful completion of our Rights Issue. In addition to fully repaying the MIC loan, we are enhancing our mining fleet which improves our operational efficiency and lays the foundation for a more cost-effective and resilient production profile for the future.

I would like to extend my sincere gratitude to our employees for their dedication and hard work, to our management team for their leadership, and to our shareholders for their continued support which was a testament to their confidence in our strategy."

FINANCIAL REVIEW

The table below summarises the results of the Group for the six months ended 30 June 2026 and 2025:

	For the six months ended 30 June		
	2026	2025	Variance
Key Operating Data			
Iron Ore Concentrate			
– Production volume (tonnes)	**1,664,009**	1,422,870	16.9%
– Sales volume (tonnes)	**1,660,300**	1,419,367	17.0%
Achieved Selling Price (US$/tonne)			
– based on wet metric tonne	**92.4**	86.5	6.8%
– based on dry metric tonne	**100.3**	93.2	7.6%
Platts 65% iron ore average price	**121.3**	112.5	7.8%
Russian Rouble average exchange rate (to the US Dollar)	**76.4**	86.6	13.4%*
Cash Cost			
– in US$ (wet metric tonne)	**83.4**	77.4	7.8%
– in RUB (wet metric tonne)**	**6,372**	6,703	(4.9%)
– in US$ (dry metric tonne)	**90.5**	83.3	8.6%
– in RUB (dry metric tonne)**	**6,914**	7,214	(4.2%)
Consolidated Income Statement (US$'000)			
Revenue	**153,357**	122,798	24.9%
Site operating expenses and service costs before depreciation	**(137,575)**	(110,391)	24.6%
General administration expenses before depreciation	**(5,078)**	(5,586)	(9.1%)
Other income/(expenses), gains and losses, and other allowances, net	**882**	(130)	(778.5%)
Adjusted EBITDA excluding non-recurring items and foreign exchange (note)	**11,586**	6,691	73.2%
Depreciation	**(9,199)**	(8,956)	2.7%
Finance costs, net	**(1,536)**	(2,225)	(31.0%)
Income tax (expense)/credit & non-controlling interests	**(131)**	1,510	(108.7%)
Adjusted underlying profit/(loss) – excluding non-recurring items and foreign exchange (note)	**720**	(2,980)	(124.2%)
Impairment losses	**–**	(126,882)	(100%)
Reversal of accruals and write-back of payables related to EPC contract	**–**	29,883	(100%)
Net foreign exchange	**(292)**	(1,989)	(85.3%)
Profit/(loss) attributable to the owners of the Company	**428**	(101,968)	(100.4%)

* Calculated based on the 2025 exchange rate divided by the 2026 exchange rate to illustrate the effect of currency appreciation.

** Estimated based on converting the US$ cash cost to Roubles using the average exchange rate during the period.

Note: These represents non-HKFRS adjusted results of the Group. For further details of the basis of adjustment and adoption of non-HKFRS measures, please refer to the section headed "Use of Non-HKFRS measures" on page 3 to 4 of this announcement.

USE OF NON-HKFRS MEASURES

To supplement IRC's consolidated financial statements prepared and presented in accordance with HKFRS Accounting Standards, non-HKFRS adjusted results are presented as additional financial measures.

IRC's operating results are mainly derived from the operation of K&S. The Group manages its operations with principal reference to the underlying operating cash flows and recurring earnings. The "adjusted EBITDA" and "adjusted underlying results", as presented below, are results which exclude non-recurring items and foreign exchange. The Company believes that these non-HKFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impact of items that management considers non-indicative of the operating performance. It is considered that these measures provide useful information to investors and others in understanding and evaluating IRC's consolidated results of operations and financial position, in the same manner as they help the management of IRC. However, the presentation of the non-HKFRS adjusted EBITDA and non-HKFRS adjusted underlying results may not be comparable to similarly titled measures presented by other companies. The use of these non-HKFRS measures has limitations as analytical tools, and should not be considered in isolation from, or as substitutes for analysis of, the results of operations or financial position of IRC as reported under HKFRS Accounting Standards.

1. Adjusted EBITDA – excluding non-recurring items and foreign exchange

	For the six months ended 30 June	
US$'000	**2026**	2025
Profit/(loss) before taxation		
– As reported	**559**	(103,478)
Non-HKFRS adjustments		
– Impairment losses	**–**	126,882
– Reversal of accruals and write-back of payables related to EPC contract	**–**	(29,883)
– Net foreign exchange	**292**	1,989
– Depreciation	**9,199**	8,956
– Finance costs, net	**1,536**	2,225
Non-HKFRS		
– EBITDA excluding non-recurring items and foreign exchange	**11,586**	6,691

For the six months ended 30 June 2026 (the "Period"), the Group recorded a positive adjusted EBITDA, excluding non-recurring items and foreign exchange, of US$11.6 million (six months ended 30 June 2025: US$6.7 million). The positive adjusted EBITDA was primarily driven by higher production and sales volumes, along with higher iron ore prices, which offset the impacts of higher production costs mainly driven by the appreciation of the Rouble, as detailed below:

Sales and production volumes: During the Period, 1,664,009 tonnes of iron ore concentrate were produced (six months ended 30 June 2025: 1,422,870 tonnes), representing an increase of 16.9%. The significant increase in production volumes was driven by improved ore quality at Sutara mine site and the technological upgrades implemented at our processing plant. During the Period, 1,660,300 tonnes of iron ore concentrate were sold (six months ended 30 June 2025: 1,419,367 tonnes), representing an increase of 17.0%. The significant increase in sales volumes was due to higher concentrate production volumes.

Selling prices: The average Platts 65% iron ore price amounted to US$121.3 per tonne for the Period (six months ended 30 June 2025: US$112.5 per tonne), representing an increase of 7.8%. The achieved selling price for iron ore concentrate amounted to US$100.3 per tonne for the Period (six months ended 30 June 2025: US$93.2 per tonne), representing an increase of 7.6%. The increase was in line with the 7.8% increase in average Platts 65% iron ore price.

Production cost: Despite strong Russian inflation, stringent cost control and economies of scale had resulted in the cash cost per wet metric tonne in Rouble terms decreased by 4.9% in the first half of 2026. However, in US dollar terms, the cash cost per wet-metric tonne of US$83.4 for the Period (six months ended 30 June 2025: US$77.4 per tonne) was 7.8% higher, mainly due to the strong Rouble appreciation.

The increase in sales and production volumes, along with higher iron ore prices, mitigated the impact of high Russian inflation and strong Rouble appreciation during the Period. The combined effect led to a positive adjusted EBITDA of US$11.6 million for the Period, marking an increase of 73.2% as compared with that of the corresponding period in 2025.

2. Adjusted underlying results – excluding non-recurring items and foreign exchange

	For the six months ended 30 June	
US$'000	**2026**	2025
Profit/(loss) attributable to the owners of the Company		
– As reported	**428**	(101,968)
Non-HKFRS adjustments		
– Impairment losses	**–**	126,882
– Reversal of accruals and write-back of payables related to EPC contract	**–**	(29,883)
– Net foreign exchange	**292**	1,989
Non-HKFRS		
– Underlying profit/(loss) excluding non-recurring items and foreign exchange	**720**	(2,980)

The Group's income statement sometimes includes certain material non-recurring and non-operating items which, under the non-HKFRS adjusted results, should be considered separately. During the Period and the corresponding period in 2025, these items are:

- ***Impairment losses:*** No impairment losses were recorded for the Period (six months ended 30 June 2025: US$126.9 million). The prior period's impairment losses of US$126.9 million were due to the impairment provisions on K&S and the exploration and evaluation assets, Bolshoi Seym.

- ***Reversal of accruals and write-back of payables related to EPC contract:*** No one-off gain was recorded for the Period (six months ended 30 June 2025: US$29.9 million). The prior period's gain primarily resulted from the reversal of accruals and write-back of payables related to an EPC contract following an amicable settlement of the dispute.

- ***Net foreign exchange:*** A non-cash net foreign exchange loss of US$0.3 million was recorded during the Period (six months ended 30 June 2025: US$2.0 million), mainly due to Russian Rouble exchange rate movements.

While the Group reports a profit of US$0.4 million for the Period, this figure may not be a best reflection of the actual performance of the Group due to the forementioned non-recurring items and foreign exchange. Under the non-HKFRS measures adopted, the Group reports an adjusted EBITDA of US$11.6 million and an adjusted underlying profit of US$0.7 million. The underlying result for the Period is better than that of the corresponding period in 2025 mainly due to improved adjusted EBITDA, as discussed above.

REVENUE

Iron ore concentrate

Production and sales volume

IRC's main revenue source comes from the sales of 65% iron ore concentrate produced at the K&S mine.

During the Period, the Company recorded a strong operating performance, marked by significant increases in both production and sales volumes compared to the corresponding period in 2025. This successful performance was driven by operations at the Sutara mine, which delivers substantially better-quality ore, as well as higher yields resulting from technological upgrades implemented at the processing plant. The operations of the Sutara mine successfully boosted the overall production volume and operational efficiency of K&S.

During the Period, a total of 1,664,009 tonnes of iron ore concentrate were produced, representing a 16.9% increase over the 1,422,870 tonnes produced during the corresponding period in 2025. In line with the increased production volume, sales volume also increased. During the Period, the sales volume of iron ore concentrate reached 1,660,300 tonnes, which was 17.0% higher than the 1,419,367 tonnes sold during the corresponding period in 2025.

In terms of the quantity of ore mined at Sutara, a total of 4,623,000 tonnes of iron ore were mined at Sutara, accounting for approximately 98.6% of the total amount of ore mined during the Period. The Sutara deposit will provide a long-term ore supply for K&S operations, with a mine life exceeding 30 years.

In terms of plant operating capacity, thanks to the improved ore quality, the processing plant achieved an average operating capacity of approximately 106.3% during the Period. This represents a substantial improvement compared to the 90.0% average capacity recorded in the corresponding period in 2025. This upward trend in capacity utilisation reflects the Company's commitment to enhancing production efficiency and underscores Sutara's potential to significantly contribute to overall output in the coming years.

Iron ore prices

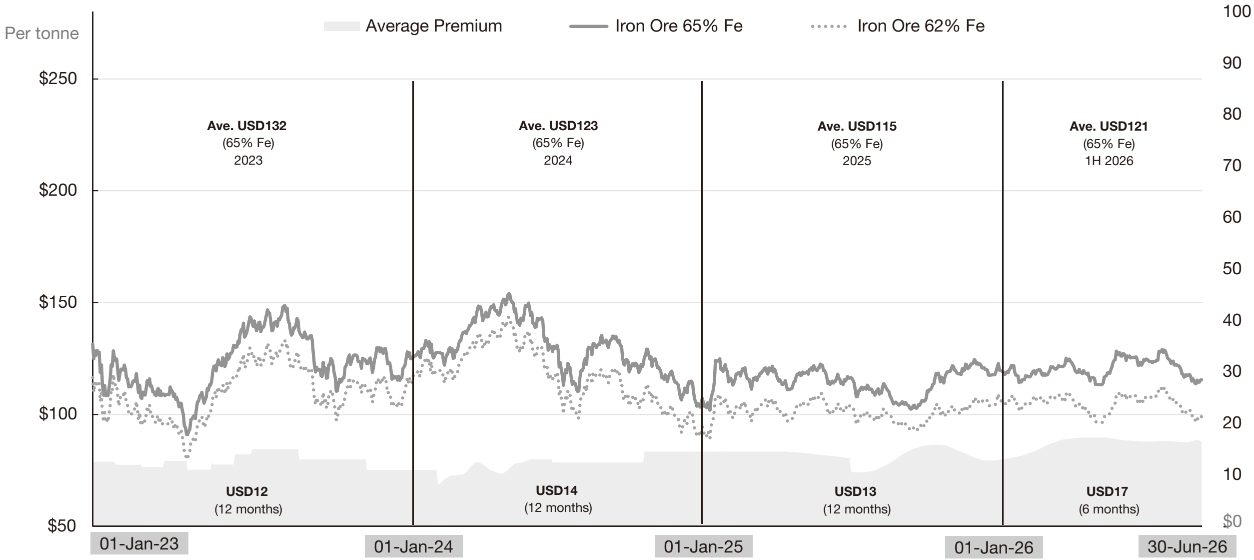
K&S's iron ore concentrate is priced with reference to the international spot price of Platts iron ore benchmark index. Following a slight market recovery, the average Platts 65% iron ore price increased to US$120.6 per tonne in Q1 2026, representing an increase of 4.5% as compared with the 2025 full-year average of US$115.4 per tonne. In Q2 2026, the market continued its modest recovery. The average price of Platts 65% iron ore increased to US$122.0 per tonne, representing a further 1.2% increase quarter over quarter. Consequently, during the Period, the average Platts 65% iron ore price reached US$121.3 per tonne. This represents an increase of 7.8% from US$112.5 per tonne in the corresponding period of 2025.

The price growth was driven by strong demand for high-grade ore as steel mills worked to cut carbon emissions. At the same time, adverse weather limited global supply, while high energy prices and rising shipping costs supported overall market price levels.

As of 30 June 2026, IRC did not have any open iron ore hedging position, given that it is difficult to achieve meaningful hedges with the forward iron ore curve in backwardation. IRC will continue to monitor the price movements and may enter into hedging transactions if the hedging terms are considered favorable.

The chart below illustrates the Platts 65% Fe index from 1 January 2023 to 30 June 2026:

Platts 65% Iron Ore Price vs 62% Iron Ore Price



* Source: Platts (as of 30 June 2026)

Revenue of K&S

During the Period, IRC's revenue amounted to US$153.4 million (six months ended 30 June 2025: US$122.8 million), representing an increase of 24.9%. The external market environment provided a welcome tailwind, with the average Platts 65% iron ore price rising to US$121.3 per tonne, representing a 7.8% increase. Combined with our higher sales volumes, this resulted in a 24.9% increase in revenue to US$153.4 million.

Engineering Services

Revenue from Giproruda, the Group's small-scale engineering services division, while not material, diversified the Group's revenue. During the Period, revenue from the segment amounted to US$15,000 (six months ended 30 June 2025: US$77,000), representing a decrease of 80.5%.

SITE OPERATING EXPENSES AND SERVICE COSTS BEFORE DEPRECIATION

The mining and operating expenses incurred by the Group's sole operating mine, the K&S project, in relation to sales of iron ore concentrate are primarily reflected in the site operating expenses and service costs.

The table below illustrates the details of the key cash cost components per wet metric tonne of iron ore concentrate sold:

	For the six months ended 30 June	
	2026	2025
	Cash cost per tonne	Cash cost per tonne
	US$/t	US$/t
Mining	**31.6**	23.9
Processing and drying	**12.8**	13.2
Production overheads, site administration and related costs	**15.0**	14.7
Mineral extraction tax	**7.0**	8.1
Net cash cost before transportation to customers	**66.4**	59.9
Transportation to customers	**17.0**	17.5
Net cash cost *(in US$ terms)*	**83.4**	77.4
Net cash cost *(in RUB terms)*	**6,371.7**	6,702.8

Net cash cost for the Period was US$83.4 per tonne (six months ended 30 June 2025: US$77.4 per tonne), representing an increase of 7.8%. This increase was primarily driven by higher mining costs in Sutara, which increased 32.2% to US$31.6 per tonne (six months ended 30 June 2025: US$23.9 per tonne). The substantial increase in mining costs was driven by strong Rouble appreciation, high domestic inflation and the utilization of stockpile which has a higher cost base.

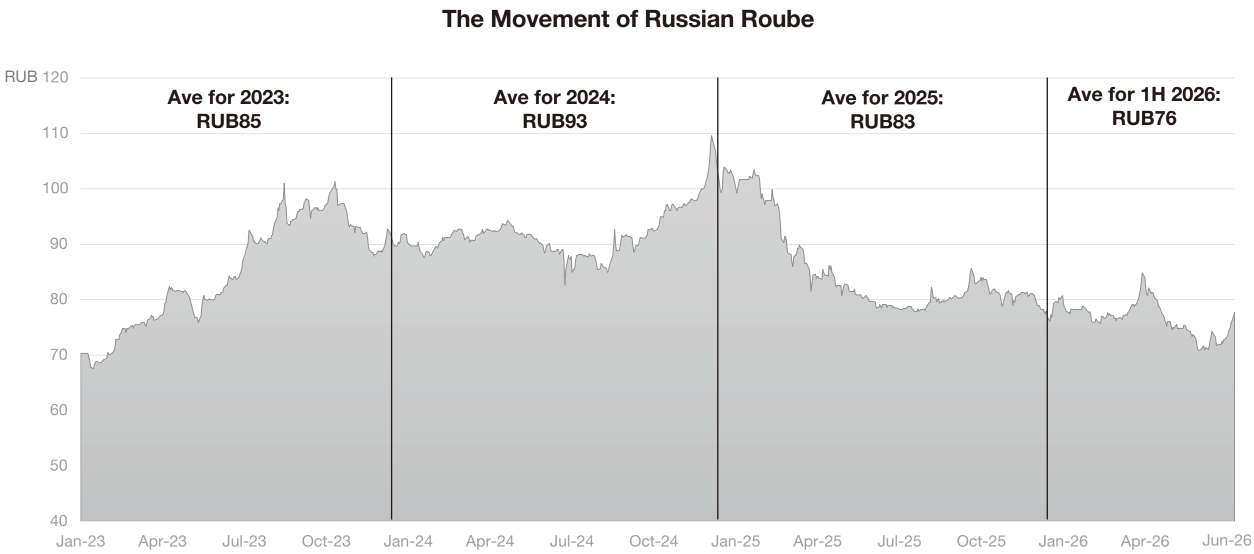
Processing and drying costs decreased by 3.0% to US$12.8 per tonne (six months ended 30 June 2025: US$13.2 per tonne). This reduction was primarily driven by higher plant throughput, which allowed the operation to achieve stronger economies of scale and spread fixed overheads across larger volumes.

Production overheads, site administration and related costs for the Period amounted to US$15.0 per tonne (six months ended 30 June 2025: US$14.7 per tonne), representing an increase of 2.0%. The increase was mainly driven by expanding operational activities and rising inflation in Russia. These cost-push pressures added to our operational expenditure.

The Group's operating cost is also dependent on the strength of the Russian Rouble, as the Group's costs are mainly denominated in Roubles.

During the Period, the average Rouble exchange rate was RUB76.4 to the US Dollar (six months ended 30 June 2025: RUB86.6 to the US Dollar), representing an appreciation of 13.4%. The appreciation of the Rouble heightened inflationary pressure on the Group's costs and negatively impacted operating margin. As of 30 June 2026, the Group did not have any hedging position for the Russian currency, but may consider entering into foreign exchange hedging contracts if deemed appropriate.

The chart below illustrates the movements of the Rouble exchange rate since 1 January 2023 to 30 June 2026:



* Source: Bank of Russia (as of 30 June 2026)

In summary, the net cash cost for the K&S project increased by 7.8% to US$83.4 per tonne compared to the corresponding period in 2025.

However, if the appreciation of Rouble, which is outside the control of IRC, is not considered, the net cash cost in Rouble terms in 2026 is 4.9% lower than that of 2025.

GENERAL ADMINISTRATION EXPENSES BEFORE DEPRECIATION

General administration expenses before depreciation for the Period amounted to US$5.1 million (six months ended 30 June 2025: US$5.6 million), representing a decrease of 9.1%. Specifically, the decrease was primarily driven by stringent cost controls and timing differences.

OTHER INCOME/(EXPENSES), GAINS AND LOSSES, AND OTHER ALLOWANCES, NET

Other income/(expenses), gains and losses, and other allowances, net amounted to US$0.9 million during the Period. This mainly represents the gain on disposal of fixed assets.

DEPRECIATION

Depreciation charges for the Period of US$9.2 million is in line with that of the previous period (six months ended 30 June 2025: US$9.0 million).

FINANCE COSTS, NET

Finance costs, net principally reflect the interest expenses incurred by K&S on the loan facilities from MIC Invest Limited Liability Company ("MIC"). During the Period, finance costs, net decreased by 31.0% to US$1.5 million (six months ended 30 June 2025: US$2.2 million). This reduction was driven by the Group making voluntary early principal repayments of US$28.1 million to fully repay the remaining loan balances in the first half of 2026.

INCOME TAX (EXPENSE)/CREDIT AND NON-CONTROLLING INTERESTS

The income tax expense and non-controlling interests for the Period amounted to US$131,000 (six months ended 30 June 2025: income tax credit and non-controlling interests of US$1.5 million). It was driven by the increase in deferred tax expense during the Period.

IMPAIRMENT LOSSES

No impairment losses were recorded for the Period (six months ended 30 June 2025: US$126.9 million). The prior period's impairment losses of US$126.9 million were due to the impairment provisions on K&S and the exploration and evaluation assets, Bolshoi Seym.

NET FOREIGN EXCHANGE

During the Period, the net foreign exchange was US$0.3 million (six months ended 30 June 2025: US$2.0 million). It was mainly attributable to the movements in exchange rate of Russian Rouble.

PROFIT/(LOSS) ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The Group recorded a profit of US$0.4 million for the Period, as compared to a loss of US$102.0 million for the same period last year. This significant improvement was primarily driven by the absence of impairment losses for K&S mine and other assets, which had heavily impacted the Group's net loss in the corresponding period in 2025.

SEGMENT INFORMATION

The mines in production segment represents the K&S mine's production and sales. This segment made a profit of US$7.5 million for the Period (six months ended 30 June 2025: a loss of US$116.2 million), mainly due to the absence of impairment provision. Mines in development, engineering and other segments were not material to the total revenue and a total loss of US$0.9 million of these segments was recorded for the Period (six months ended 30 June 2025: $7.2 million), representing a decrease of 87.6%.

STATEMENT OF CASH FLOWS

The following table summarises key cash flow items of the Group for the six months ended 30 June 2026 and 30 June 2025:

	For the six months ended 30 June	
US$'000	**2026**	2025
Operating profit before working capital movements	**9,309**	7,188
Working capital movements		
– Net movement in inventories	**(805)**	(6,098)
– Net movement in receivables	**(6,867)**	9,070
– Net movement in payables	**(3,704)**	(10,074)
Net cash (used in)/generated from operations	**(2,067)**	86
Repayment of borrowings	**(28,073)**	(16,809)
Capital expenditure	**(14,793)**	(12,376)
Interest expenses paid	**(520)**	(1,885)
Income tax paid	**(1,228)**	(178)
Other payments and adjustments, net	**(995)**	310
Proceeds from disposal of property, plant and equipment	**5**	–
Proceeds from issuance of shares, net	**41,377**	–
Net movement during the Period	**(6,294)**	(30,852)
Cash and bank balances (including time deposits)		
– At 1 January	**41,574**	60,734
– At 30 June	**35,280**	29,882

With improved operating performance, operating profit before working capital movements increased by 29.5% to US$9.3 million. Net cash used in operations for the Period was US$2.1 million (six months ended 30 June 2025: net cash generated from operations of US$86,000). While higher sales volumes and revenue from the K&S mine supported operating performance, the net operating cash flow was impacted by working capital changes and timing differences.

The loan from MIC was to be repaid on a quarterly basis. Repayments of borrowings for the Period amounted to US$28.1 million (six months ended 30 June 2025: US$16.8 million), representing an increase of 67.0%. This increase was primarily driven by voluntary early principal repayments to MIC to fully settle the remaining loan balances.

Capital expenditure for the Period amounted to US$14.8 million (six months ended 30 June 2025: US$12.4 million), representing an increase of 19.5%. This increase was primarily attributed to the ongoing development and ramp-up of the Sutara mine.

A rights issue was completed in February 2026, raising a net proceed of approximately US$41.4 million.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Share Capital

On 24 October 2025, the Company proposed to conduct an equity fund-raising exercise by way of a rights issue to issue a maximum of 638,974,294 rights shares at a subscription price of HK$0.51 per rights share on the basis of one rights share for every two existing shares. The rights issue was completed on 6 February 2026 for which 638,974,294 rights shares had been issued and the Company had raised a net proceed of approximately US$41.4 million.

Cash Position

As of 30 June 2026, the carrying amount of the Group's cash, deposits and bank balances decreased to US$35.3 million (31 December 2025: US$41.6 million). The decrease is mainly due to the principal repayments to MIC and the capital expenditure incurred on the Sutara mine.

Exploration, Development and Mining Production Activities

During the Period, US$152.3 million (six months ended 30 June 2025: US$122.7 million) was incurred on development and mining production activities. No material exploration activity was carried out during the Period and the corresponding period in 2025. The following table details the operating and capital expenditures for the Period and the corresponding period in 2025:

	For the six months ended 30 June					
	2026			2025		
US$'m	**Operating expenses**	**Capital expenditure**	**Total**	Operating expenses	Capital expenditure	Total
K&S development	**136.7**	**14.7**	**151.4**	109.8	12.3	122.1
Exploration projects and others	**0.8**	**0.1**	**0.9**	0.5	0.1	0.6
	137.5	**14.8**	**152.3**	110.3	12.4	122.7

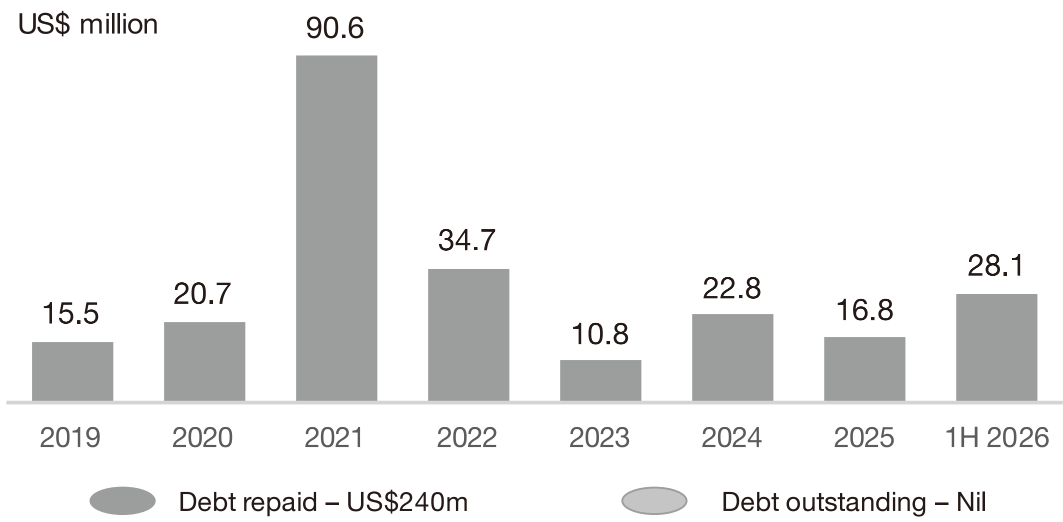
The table below sets out the details of material new contracts and commitments entered into during the Period and the corresponding period in 2025 on a by-project basis.

		For the six months ended 30 June	
US$'m	**Nature**	**2026**	2025
K&S	Purchase of property, plant and equipment	**0.9**	1.9
	Sub-contracting for excavation related works	**1.0**	1.4
Others	Other contracts and commitments	**0.1**	0.2
		2.0	3.5

Borrowings and Charges

IRC drew down the US$240 million loan facility in 2019 and since then IRC has repaid it in full. As of 30 June 2026, the total debt due to MIC amounted was nil (31 December 2025: US$28.1 million). The repayment profile of the loan as of 30 June 2026 is as follows:

Loan Repayment Profile – Fully Repaid



Source: IRC Limited (as of 30 June 2026)

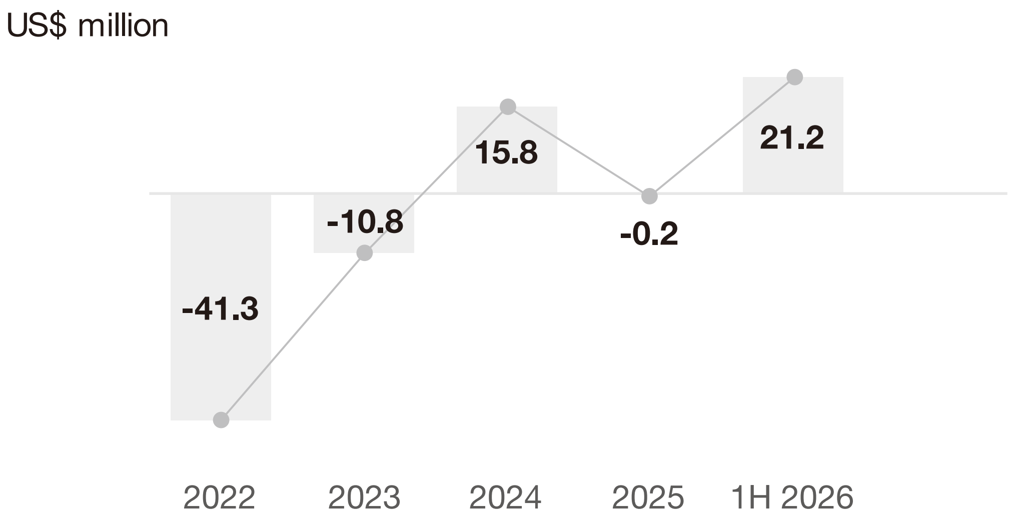
The interest rate of the MIC loan facility was determined based on Secured Overnight Financing Rate ("SOFR 90"). Interests for the first loan tranche of US$160 million (which has been fully repaid as of 30 June 2025) and second loan tranche of US$80 million (which has been fully repaid as of 31 March 2026) were determined based on SOFR 90 + 6.2% per annum and SOFR 90 + 8.2% per annum, respectively.

The Group's weighted average interest rate was nil for the Period (six months ended 30 June 2025: 8.33%). The loan is not subject to guarantee, saving the Group from making guarantee fee payments.

As of 30 June 2026, the net cash (taking into account lease liabilities as a form of debt) of the Group improved to US$21.2 million (31 December 2025: net debt of US$0.2 million). This positive improvement was primarily driven by US$41.4 million in proceeds from the issuance of new shares.

The following graph shows the net cash/net debt position (taking into account lease liabilities as a form of debt) of the Group since 2022 to 30 June 2026:

Net Cash/Net Debt



Source: IRC Limited (as of 30 June 2026)

The Group's gearing ratio, calculated based on total borrowing (taking into account lease liabilities as a form of debt) divided by total equity, decreased to 6.2% (31 December 2025: 22.6%), mainly due to the decrease in borrowing following the full repayment of the MIC loan.

Risk of Exchange Rate Fluctuation

As of 30 June 2026, the Group had no currency hedging position. The Group may consider entering into new foreign exchange hedging contracts if deemed appropriate. It should be noted that the hedging is not speculative in nature and is for risk management purposes. The hedging that IRC may enter into shall serve as a counter-measure against the strengthening of Rouble.

Employees and Emolument Policies

As of 30 June 2026, the Group employed 1,911 persons (30 June 2025: 1,616 persons). Total staff costs (including directors' emolument) amounted to US$33.7 million during the Period (six months ended 30 June 2025: US$23.3 million). The increase in staff costs was mainly attributable to stronger Rouble rate as well as inflated labour costs driven by labour shortage. The emolument policy of the Group is set up by the Remuneration Committee and the remuneration is determined on the basis of the merits, qualifications and competence of the employees with regard to market conditions and trends.

CHAIRMAN STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the interim results of IRC Limited for the six months ended 30 June 2026. This period has been one of significant strategic execution and operational progress. We delivered a robust operational performance that demonstrates the fundamental strength of our business, successfully strengthened our balance sheet, and advanced our key growth initiatives.

OPERATIONAL EXCELLENCE AND MARKET PERFORMANCE

Our operational performance in the first half of 2026 has been particularly encouraging. The strategic ramp-up of the Sutara mine site continues to be a cornerstone of our success, as this source delivers substantially better-quality ore. Complemented by the technological upgrades implemented at our processing plant, K&S managed to operate at 106% of its designed capacity. We achieved a 16.9% improvement in production volume and produced 1.66 million tonnes of iron ore. This growth in production was mirrored by sales, which increased by 17.0% to 1.66 million tonnes.

This operational progress was well-timed. The external market environment provided a welcome tailwind, with the average Platts 65% iron ore price improving to US$121.3 per tonne, representing a 7.8% increase. Combined with our higher sales volumes, this resulted in a 24.9% increase in revenue to US$153.4 million.

FINANCIAL PERFORMANCE AND CURRENCY HEADWINDS

The translation of our operational success into reported financial results was once again complicated by significant external factors, primarily currency movements and domestic inflation. The Russian Rouble strengthened materially against the US dollar, with the average exchange rate appreciating by about 13.4% to 76.4 to US dollar. This had a profound impact on our cost base when reported in US dollars, as a significant portion of our operational expenditure is denominated in Roubles.

Compounding this currency effect, we faced a challenging inflationary environment in Russia during the Period. The country experienced a sharp rise in fuel prices, driven by supply disruptions that sent gasoline prices to a 20-year high. This has been a key contributor to wider inflationary pressures, with annual inflation reaching about 6% in June 2026. These cost-push pressures, particularly from higher energy prices, added to our operational expenditure.

Against this backdrop, our cost performance presents a tale of two measures. For our cash cost in Rouble terms, our management team achieved a commendable cost saving of approximately 4.9%, reflecting the benefits of our operational efficiency initiatives, technological upgrades, and the higher quality ore from Sutara which improves processing yields. However, due to the appreciation of the Rouble, our reported cash cost per tonne in US dollar terms increased by 7.8% to US$83.4. The operational saving achieved in local currency was therefore over-shallowed by the effect of movements in foreign exchange, illustrating the significant influence of the external currency environment on our reported financials.

Our Adjusted EBITDA for the Period rose by 73.2% to US$11.6 million, and we recorded an adjusted underlying profit of US$0.7 million, compared to an underlying loss of US$3.0 million in 2025. Although the profit figure itself is modest, its significance is substantial—it clearly reflects the resilience of our operational recovery and the tangible benefits of our strategic initiatives.

RETURNING TO PROFITABILITY

Importantly, our books moved from red to black in the first half of 2026 as we report a profit attributable to the owners of the Company of US$0.4 million, compared to a loss of US$102.0 million in the same period of 2025. This dramatic turnaround is primarily due to the absence of any asset impairment provision in 2026, whereas the prior-year period was weighed down by a substantial non-cash impairment charge of US$126.9 million.

STRENGTHENING THE BALANCE SHEET AND ADVANCING STRATEGIC INITIATIVES

A pivotal development in the first half of 2026 was the successful completion of our Rights Issue in February 2026, which raised approximately US$41.4 million. This capital injection was a critical step in our strategy to strengthen the Group's financial position and accelerate our growth plans.

We have applied the proceeds strategically. First, we utilised a portion to fully repay the loan due to MIC, thereby materially deleveraging our balance sheet and reducing our finance costs. This repayment strengthens our financial flexibility and positions us for sustainable growth. The benefit of this was reflected in our net finance costs, which decreased by 31.0% to US$1.5 million for the Period. We are also seeing a drastic improvement in gearing, reducing from 22.6% at the 2025 year end to 6.2% at 30 June 2026.

Second, we have deployed capital towards purchasing new mining equipment. This investment is a key component of our strategy to reduce reliance on external mining contractors and bring operations in-house. By taking greater control of our mining fleet, we are enhancing operational efficiency and laying the foundation for a more cost-effective and resilient production profile for the future.

STRATEGIC PROGRESS AND OUTLOOK

We are not resting on our operational achievements. Beyond the equipment purchases funded by the Rights Issue, we continue to execute on other strategic initiatives to enhance efficiency and create long-term value. The crushing and screening plant at Sutara is reducing haulage volumes and costs. Furthermore, our transition to in-house mining operations is gaining momentum, giving us greater control over our cost base and operational performance.

Looking ahead, we remain cautiously optimistic. While the iron ore market and currency volatility present ongoing challenges, the fundamentals of our business are robust. The operational transformation driven by the Sutara deposit, combined with our strengthened balance sheet and reduced cost base, positions us well to capture future value. Our focus remains on what we can control: driving operational efficiencies, preserving financial flexibility, and positioning the business to deliver sustainable value for our shareholders.

ACKNOWLEDGEMENTS

I would like to extend my sincere gratitude to our employees for their dedication and hard work, to our management team for their leadership, and to our shareholders for their continued support which was a testament to their confidence in our strategy.

Nikolai Levitskii
Chairman

The board of directors of IRC Limited (the "**Board**") is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2026, which have been reviewed by the audit committee of the Company (the "**Audit Committee**"), comprising of independent non-executive directors, without disagreement and by the external auditors. The Board has authorised the Executive Committee, which comprises the Executive Director and senior management of the Company, to approve the 2026 interim results on its behalf.

Condensed Consolidated Statement of Profit or Loss
For the Six Months Ended 30 June 2026

	Notes	**Six months ended 30 June 2026 US$'000 (unaudited)**	2025 US$'000 (unaudited)
Revenue	3	**153,357**	122,798
Operating expenses, excluding depreciation	5	**(142,653)**	(115,977)
Depreciation	5	**(9,199)**	(8,956)
Impairment losses	6	**–**	(126,882)
Other income, gains and losses	7	**901**	28,016
Finance costs	8	**(1,847)**	(2,444)
Allowance for financial assets measured at amortised costs		**–**	(33)
Profit/(loss) before tax		**559**	(103,478)
Income tax (expense)/credit	9	**(349)**	1,502
Profit/(loss) for the period		**210**	(101,976)
Attributable to:			
Owners of the Company		**428**	(101,968)
Non-controlling interests		**(218)**	(8)
		210	(101,976)
Earnings/(loss) per share (US cents)	11		
Basic		**0.02**	(7.98)
Diluted		**0.02**	(7.98)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Six Months Ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	US$'000	US$'000
	(unaudited)	(unaudited)
Profit/(loss) for the period	**210**	(101,976)
Other comprehensive (expense)/income:		
Items that have been or may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**(48)**	1,097
Other comprehensive (expense)/income for the period, net of tax	**(48)**	1,097
Total comprehensive income/(expense) for the period	**162**	(100,879)
Attributable to:		
Owners of the Company	**374**	(101,068)
Non-controlling interests	**(212)**	189
	162	(100,879)

Condensed Consolidated Statement of Financial Position

At 30 June 2026

	Notes	**As at 30 June 2026 US$'000 (unaudited)**	As at 31 December 2025 US$'000 (audited)
ASSETS			
Non-current assets			
Exploration and evaluation assets		**14,461**	14,352
Property, plant and equipment	12	**125,167**	121,172
Right-of-use assets	12	**12,559**	12,934
Inventories		**1,242**	584
Total non-current assets		**153,429**	149,042
Current assets			
Inventories		**54,392**	54,245
Trade and other receivables	13	**38,331**	31,508
Income tax recoverables		**422**	–
Time deposits		**804**	698
Bank and cash balances		**34,476**	40,876
Total current assets		**128,425**	127,327
TOTAL ASSETS		**281,854**	276,369
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	16	**1,392,111**	1,350,734
Other reserves		**36,265**	36,319
Accumulated losses		**(1,200,837)**	(1,201,265)
Equity attributable to owners of the Company		**227,539**	185,788
Non-controlling interests		**(898)**	(686)
Total equity		**226,641**	185,102

Condensed Consolidated Statement of Financial Position (continued)

At 30 June 2026

	Notes	**As at 30 June 2026 US$'000 (unaudited)**	As at 31 December 2025 US$'000 (audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities		**12,210**	12,252
Provision for close down and restoration costs		**2,306**	4,840
Deferred tax liabilities		**4,832**	4,962
Total non-current liabilities		**19,348**	22,054
Current liabilities			
Borrowings – due within one year	15	**–**	28,073
Lease liabilities		**1,869**	1,490
Trade and other payables	14	**33,996**	39,336
Current tax liabilities		**–**	314
Total current liabilities		**35,865**	69,213
TOTAL EQUITY AND LIABILITIES		**281,854**	276,369

Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended 30 June 2026

	Attributable to owners of the Company								
	Share capital US$'000	Capital reserve (Note (a)) US$'000	Share-based payment reserve US$'000	Translation reserve US$'000	Other reserve (Note (b)) US$'000	Accumulated losses US$'000	Sub-total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 1 January 2025 (audited)	1,350,734	17,984	17,582	(24,125)	23,766	(1,069,797)	316,144	(755)	315,389
Loss for the period	–	–	–	–	–	(101,968)	(101,968)	(8)	(101,976)
Other comprehensive income	–	–	–	900	–	–	900	197	1,097
Total comprehensive income/(expense) for the period	–	–	–	900	–	(101,968)	(101,068)	189	(100,879)
Balance at 30 June 2025 (unaudited)	1,350,734	17,984	17,582	(23,225)	23,766	(1,171,765)	215,076	(566)	214,510
Balance at 1 January 2026 (audited)	1,350,734	17,984	17,582	(23,013)	23,766	(1,201,265)	185,788	(686)	185,102
Profit/(loss) for the period	–	–	–	–	–	428	428	(218)	210
Other comprehensive (expense)/income	–	–	–	(54)	–	–	(54)	6	(48)
Total comprehensive (expense)/ income for the period	–	–	–	(54)	–	428	374	(212)	162
Right Issue (note 16)	41,377	–	–	–	–	–	41,377	–	41,377
Balance at 30 June 2026 (unaudited)	1,392,111	17,984	17,582	(23,067)	23,766	(1,200,837)	227,539	(898)	226,641

Notes:

(a) The amounts represent deemed contribution from the then ultimate holding company of the Company for 1) certain administrative expenses and tax expenses of the Group paid by the then ultimate holding company of the Company in prior years; and 2) share-based payment expenses in relation to certain employees of the Group participated in the long-term incentive plan of the then ultimate holding company of the Company.

(b) The amounts arose from 1) acquisition of non-controlling interests and deemed contribution arising from the group restructuring for the Company's listing on The Stock Exchange of Hong Kong Limited ("the Stock Exchange"); 2) transfer of share-based payment reserve upon vesting of share-based awards resulted from difference between the cost of the treasury shares and fair value at grant date of the awarded shares; 3) deemed contribution from General Nice Development Limited, a former shareholder of the Company, for accrued interests on outstanding capital contribution; and 4) direct expenses in relation to the right to subscribe for shares of the Company granted to Tiger Capital Fund SPC – Tiger Global SP, a former shareholder of the Company.

Condensed Consolidated Statement of Cash Flows
For the Six Months Ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	US$'000	US$'000
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash (used in)/generated from operations	**(2,067)**	86
Income tax paid	**(1,228)**	(178)
NET CASH USED IN OPERATING ACTIVITIES	**(3,295)**	(92)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment and exploration and evaluation assets	**(14,793)**	(12,376)
Proceeds on disposal of property, plant and equipment	**5**	–
Net time deposits placed	**(106)**	(580)
Interest received	**311**	219
NET CASH USED IN INVESTING ACTIVITIES	**(14,583)**	(12,737)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	**(1,791)**	(66)
Interest expenses paid	**(520)**	(1,885)
Proceeds on right issue of shares	**41,377**	–
Repayment of borrowings	**(28,073)**	(16,809)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	**10,993**	(18,760)
NET DECREASE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD	**(6,885)**	(31,589)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	**40,876**	60,582
Effect of foreign exchange rate changes	**485**	156
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**34,476**	29,149

1. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("SEHK").

The financial information relating to the year ended 31 December 2025 that is included in these unaudited condensed consolidated financial statements for the six months ended 30 June 2026 as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Cap.622) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance (Cap. 622).

The Company's auditor has reported on those consolidated financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance (Cap.622).

These condensed consolidated financial statements should be read in conjunction with the 2025 annual financial statements. The accounting policies (including the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2025.

The Company is listed in SEHK with operational mines in Russian Far East. Most of the Group's suppliers and customers are based in mainland China and Russia. The Company continues to review and consider the impact, if any, of the United Kingdom, European Union and United States sanctions (the "Sanctions"). As of now and so far as the Board of Directors is aware, based on its current assessment and the information currently available to it, the Sanctions have no material direct impact on the Group or its operations. Although currently, the Group's operations and activities in Russia and elsewhere are continuing as usual, as the macroeconomic factors and geopolitical situation continues to develop, there is a risk of supply chain disruptions affecting the Group's operations, the purchase of mining fleet and the ongoing development of the Sutara pit. The Company will continue to closely monitor the Sanctions developments and related consequences and will, if necessary, take further actions.

2. NEW AND REVISED HKFRS ACCOUNTING STANDARDS

A. New and amended standards adopted by the Group

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments, are relevant to the Group's consolidated financial statements. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting the abovementioned amended standard.

B. Impact of new and amended standards issued but not yet adopted by the Group

In July 2024, HKICPA issued HKFRS 18 which is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information. The management is currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

3. REVENUE

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers.

In the following table, revenue is disaggregated by primary geographical market and timing of revenue recognition.

	Mines in production		**Engineering**		**Total**	
For the six months ended 30 June	**2026 US$'000 (unaudited)**	2025 US$'000 (unaudited)	**2026 US$'000 (unaudited)**	2025 US$'000 (unaudited)	**2026 US$'000 (unaudited)**	2025 US$'000 (unaudited)
Primary geographical markets						
– People's Republic of China ("PRC")	**151,308**	118,673	**–**	–	**151,308**	118,673
– Russia	**2,034**	4,048	**15**	77	**2,049**	4,125
Revenue from external customers	**153,342**	122,721	**15**	77	**153,357**	122,798
Timing of revenue recognition						
Products transferred at a point in time	**153,342**	122,721	**–**	–	**153,342**	122,721
Products and services transferred over time	**–**	–	**15**	77	**15**	77
Total	**153,342**	122,721	**15**	77	**153,357**	122,798

4. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by reportable and operating segments for the period under review:

	Mines in production US$'000	Mines in development US$'000	Engineering US$'000	Other US$'000	Total US$'000
Six months ended 30 June 2026 (unaudited)					
Revenue from external customers	**153,342**	**–**	**15**	**–**	**153,357**
Segment profit/(loss)	**7,539**	**(302)**	**(575)**	**(10)**	**6,652**
General administrative expenses					**(5,078)**
General depreciation					**(69)**
Other income, gains and losses					**901**
Finance costs					**(1,847)**
Profit before tax					**559**

	Mines in production US$'000	Mines in development US$'000	Engineering US$'000	Other US$'000	Total US$'000
Six months ended 30 June 2025 (unaudited)					
Revenue from external customers	122,721	–	77	–	122,798
Segment loss	(116,198)	(6,714)	(444)	(10)	(123,366)
General administrative expenses					(5,586)
General depreciation					(65)
Other income, gains and losses					28,016
Finance costs					(2,444)
Allowance for financial assets measured at amortised costs					(33)
Loss before tax					(103,478)

5. OPERATING EXPENSES, INCLUDING DEPRECIATION

	Six months ended 30 June	
	2026	2025
	US$'000	US$'000
	(unaudited)	(unaudited)
Site operating expenses and service costs		
Subcontracted mining costs and engineering services	**29,979**	35,192
Staff costs	**29,811**	19,202
Freight and shipment costs	**27,934**	24,657
Other expenses	**18,970**	11,867
Mineral extraction tax	**11,817**	11,513
Depreciation	**9,130**	8,891
Materials usage	**8,200**	6,798
Electricity	**7,453**	5,584
Fuel	**4,820**	1,826
Movement in finished goods and work in progress	**1,995**	(5,202)
Professional fees (Note)	**60**	581
Adjustment of restoration provision for change in estimates	**(1,739)**	6
Mine development costs capitalised in property, plant and equipment	**(1,725)**	(1,633)
	146,705	119,282
General administration expenses		
Staff costs	**3,880**	4,133
Other expenses	**795**	796
Professional fees (Note)	**403**	657
Depreciation	**69**	65
	5,147	5,651
	151,852	124,933

Note: Professional fees comprise audit fees, legal fees, consulting fees, management services fees and engineering consultancy fees.

6. IMPAIRMENT LOSSES

The Group follows the requirements of HKAS 36 "Impairment of Assets" to consider whether there is indication of impairment or impairment reversal on the non-financial assets at each reporting period. In making this judgement, management considers whether an event or factor has occurred or any indicators that may affect the asset value, including but not limited to, change in production volumes, changes in the cash costs of production, available ore reserves, purity of the iron ore concentrate, forecasted iron and ilmenite prices, inflation and exchange rates. If any such indication exists, the management is required to estimate the recoverable amount of the asset or CGU which requires significant judgement.

In respect of K&S Project, indicators of impairment were noted, arising mainly from (i) a weaker iron ore price forecast, which reduces forecast sales revenue, and (ii) appreciation of the Russian Rouble and consequently stronger Rouble exchange rate assumptions, which, all else being equal, could increase forecast operating costs in US dollar terms.

The recoverable amount of the K&S Project has been determined based on value-in-use calculations. These calculations require the use of estimates of future cash flows based on projected income and expenses of the business and working capital needs that have taken into consideration the future economic conditions, expected production capacity, ore reserve estimates, iron ore prices and cost of production over the expected life of the mine. Management is also required to choose appropriate discount rates in order to calculate the present values of the cash flows. Changes in the key assumptions on which the recoverable amounts of the assets are based could significantly affect management's assessment.

In determining the recoverable amount of the value of the K&S Project as at 30 June 2026 and 31 December 2025 respectively, the Group used certain key assumptions and parameters, details of which are stated below:

	For the six months ended 30 June 2026	**For the year ended 31 December 2025**	**Basis and reason(s) for changes**
Methodology	**Income Approach**	**Income Approach**	**Consistent valuation approach has been applied.**
Key Assumptions			
1. Average production volume per annum over the life of mine (wet metric tonnes)	3,351kt	3,350kt	No changes to the long-term production plan and mining schedules. With the decrease of the life of mine and higher production volume in subsequent years, average annual production volume slightly increased.
2. Platts 65% iron ore price (US$ per dry metric tonne)	In the second half of 2026 (Year 1): 114.2 2027 (Year 2): 113.5 2028–2030 (Year 3–5): average 112.8 2031 and thereafter (Year 6 and onwards): 115.5 growing in line with the implicit GDP deflator in the United States with the nominal discount rate being applied	2026 (Year 1): 118.2 2027 (Year 2): 116.4 2028–2030 (Year 3–5): average 117.8 2031 and thereafter (Year 6 and onwards): 122.2 growing in line with the implicit GDP deflator in the United States with the nominal discount rate being applied	Consistent valuation approach has been applied. For Year 1–5: Price is determined based on either iron ore forward curve or adjusted consensus iron ore price forecast, as appropriate. For Year 6 and onwards: Price determined based on the latest forward-looking analysts' consensus on iron ore for future years available as at the end of the respective reporting periods, growing in line with implicit GDP deflator in the United States.

6. IMPAIRMENT LOSSES (CONTINUED)

In determining the recoverable amount of the value of the K&S Project as at 30 June 2026 and 31 December 2025 respectively, the Group used certain key assumptions and parameters, details of which are stated below: (Continued)

	For the six months ended 30 June 2026	**For the year ended 31 December 2025**	**Basis and reason(s) for changes**
Key Assumptions (Continued)			
3. Russian Rouble exchange rate (to 1 US$)	In the second half of 2026 (Year 1): 81 2027 (Year 2): 87 2028–2030 (Year 3–5) average: 94 2031 and thereafter (Year 6 and onwards): 97 growing according to the Purchase Power Parity principle based on the projected inflation rate in the United States and Russia	2026 (Year 1): 89 2027 (Year 2): 91 2028–2030 (Year 3–5) average: 95 2031 and thereafter (Year 6 and onwards): 99 growing according to the Purchase Power Parity principle based on the projected inflation rate in the United States and Russia	Consistent valuation approach has been applied. As at 30 June 2026: For the first 21 months, based on the latest forward-looking analysts' consensus. For subsequent periods, based on the Purchasing Power Parity principle according to the projected inflation rates in the United States and Russia. As at 31 December 2025: For Year 1: based on the latest forward-looking analysts' consensus. For Year 2 and onwards: Based on Purchasing Power Parity principle according to the projected inflation rates in the United States and Russia.
4. Rouble costs	Based on the latest actual costs and forecasts available such as forecast inflation rate, salary growth rate in Russia	Based on the latest actual costs and forecasts available such as forecast inflation rate, salary growth rate in Russia	Despite increases in mining contractors' rates, wages, electricity and fuel costs, the partial transition to K&S's own mining fleet and improvements implemented at the processing plant enabled K&S to reduce unit cash operating costs in the first half of 2026 below the expected level, which resulted in a lower cost base in the long-term forecast.
5. Forecast inflation rate	Average over 2027–2030: United States: 1.85% Russia: 3.65% 2031 and thereafter: United States: 1.81% Russia: 3.94%	Average over 2027–2030: United States: 1.75% Russia: 4.66% 2031 and thereafter: United States: 1.88% Russia: 4.05%	Consistent valuation approach has been applied. Inflation rate is determined based on the latest forecast of the implicit GDP deflator in the United States and Russia applicable as at the end of the respective reporting periods.

6. IMPAIRMENT LOSSES (CONTINUED)

In determining the recoverable amount of the value of the K&S Project as at 30 June 2026 and 31 December 2025 respectively, the Group used certain key assumptions and parameters, details of which are stated below: (Continued)

	For the six months ended 30 June 2026	For the year ended 31 December 2025	Basis and reason(s) for changes
Key Assumptions (Continued)			
6. Discount rate			Determined based on the weighted average cost of capital as calculated using the then prevailing market data, namely risk-free rate, equity risk premium, country risk premiums of Russia and China and cost of debt. The decrease in the discount rate was mainly due to lower unlevered equity betas and debt-to-equity ratios of the peer iron ore mining companies used in the bottom-up calculation of the IRC beta, as well as lower country risk premiums for Russia and China, partly offset by an increase in the risk-free rate.
– nominal, pre-tax	11.95%	12.73%	
– nominal, post-tax	10.52%	11.21%	

As at 30 June 2026, the recoverable amount of the K&S Project is approximately US$169.8 million (31 December 2025: US$139.9 million), and no impairment loss is recognised in the period (31 December 2025: impairment loss of US$152.9 million). The nominal pre-tax discount rate used is 11.95% (31 December 2025: 12.73%).

Further, during 2025 year, one of the exploration and evaluation assets amounting to US$6,651,000 has been fully impaired due to the revocation of the exploration license.

7. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2026	2025
	US$'000	US$'000
	(unaudited)	(unaudited)
Gain/(loss) on disposal of property, plant and equipment	**557**	(455)
Net foreign exchange loss	**(292)**	(1,989)
Interest income on cash and cash equivalents	**311**	219
Rental income	**344**	358
Other losses	**(19)**	–
Reversal of accruals and write-back of payables related to Engineering, Procurement and Construction ("EPC") contract (note)	**–**	29,883
	901	28,016

Note:

As disclosed in note 32 of the 2025 annual financial statements, there was a dispute between the Group's wholly-owned subsidiary, LLC KS GOK, and EPC contractor regarding their respective obligations under the EPC contract for the K&S Project.

On 23 January 2025, LLC KS GOK and the EPC contractor reached a full and final settlement of the dispute. Under the terms of the settlement agreement, both parties agreed to a mutual release from all liabilities and claims, including interest and legal costs, and all related legal proceedings have been withdrawn.

Consequently, the Group has derecognised the relevant construction cost payables of US$22.7 million and other accrued costs related to the dispute of US$23.7 million, and resulted upon reversal of such related accrued costs and payables in the consolidated statement of profit or loss for the period amounted to US$29.9 million for the year ended 31 December 2025, and reduced the carrying amount of the relevant construction costs of K&S Project's assets that had previously been capitalised to reflect the derecognition of these capitalised costs.

8. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	US$'000	US$'000
	(unaudited)	(unaudited)
Interest expense on borrowings	**174**	2,307
Interest expense on lease liabilities	**1,331**	4
Unwinding of discount on environmental obligation	**342**	133
	1,847	2,444

9. INCOME TAX (EXPENSE)/CREDIT

	Six months ended 30 June	
	2026	2025
	US$'000	US$'000
	(unaudited)	(unaudited)
Current income tax		
Russian Corporate tax	**(483)**	30
Deferred tax	**134**	1,472
	(349)	1,502

Russian Corporate tax is calculated at a rate of 25% (2025: 25%) for the six months ended 30 June 2026.

Based on the approved federal and regional laws in Russia, the K&S Project is considered to be an investment project and is exempted from Russia Corporate tax for the period from 2017 to 2021 and then, will be taxed at a reduced rate of 10% in the following 5 years increasing to 25% thereafter.

No tax from other jurisdictions has been recognised as the Group had no assessable profit arising in or derived from any other jurisdictions for the six months ended 30 June 2026 and 2025.

10. DIVIDENDS

No dividends were paid, declared or proposed to owners of the Company during both the six months ended 30 June 2026 and 2025.

11. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2026	2025
	US$'000	US$'000
	(unaudited)	(unaudited)
Earnings/(loss) for the purpose of calculating basic and diluted earnings/(loss) per share for the period attributable to owners of the Company	**428**	(101,968)

	Six months ended 30 June	
	2026	2025
	'000	'000
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings/(loss) per share and adjusted for rights issue and share consolidation	**1,789,834**	1,277,949

Pursuant to the annual general meeting held by the Company on 25 June 2025, an ordinary resolution was passed to approve the share consolidation ("Share Consolidation") where every ten (10) issued ordinary shares of the Company were to be consolidated into one (1) ordinary share. The Share Consolidation took effect on 27 June 2025. For details of the Share Consolidation, please refer to the Company's announcements dated 15 May 2025 and 25 June 2025, and circular dated 30 May 2025.

The weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share has been adjusted to reflect for a rights issue as detailed in note 16(b) and the Share Consolidation, but not retrospective adjusted for the rights issue as which has no bonus element.

As at 30 June 2026 and 31 December 2025, no dilutive effect is considered to the earnings/(loss) per share.

12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, the Group incurred approximately US$15,120,000 (for the six months ended 30 June 2025: US$12,155,000) on mine development and acquisition of property, plant and equipment.

During the six months ended 30 June 2026, the Group entered into a new lease agreement for use of an office for 2 years. The Group makes fixed payments during the contract period. The lease contract is entered into for fixed term up to 2 years, and do not have extension options. On lease commencement, the Group recognised US$219,000 of right-of-use assets and lease liabilities.

Moreover, the Group entered into leasing agreements of trucks for its mining operations for a fixed term of 7 years during the year ended 31 December 2025. On lease commencement, the Group recognised US$13,332,000 of right-of-use assets with related lease liabilities. During the six months ended 30 June 2026, some of lease terms were modified, resulting recognising of additional US$475,000 of right-of-use assets with related lease liabilities.

13. TRADE AND OTHER RECEIVABLES

	As at 30 June 2026 US$'000 (unaudited)	As at 31 December 2025 US$'000 (audited)
Trade receivables	**15,304**	12,294
Value-added tax recoverable	**13,910**	11,674
Prepayments to suppliers	**8,161**	7,188
Amounts due from customers under engineering contracts	**4**	4
Other receivables	**952**	348
	38,331	31,508

As at 30 June 2026, the financial assets that measured at fair value on a recurring basis in the condensed consolidated statement of financial position were the trade receivables measured at FVTPL amounting to US$15,304,000 (31 December 2025: US$12,294,000). The fair value of trade receivables was measured using quoted market index of iron ore concentrate, which is within the level 2 fair value hierarchy. There was no transfer between level 1 and level 2 of the fair value hierarchy during the six months period ended 30 June 2026.

Amounts due from customers under long-term engineering contracts in progress are expected to be billed and settled within one year.

The Group allows credit period of 11 to 31 days (31 December 2025: 22 to 64 days) to individual third party customers. Except for trade receivables measured at FVTPL, the Group applies the general approach in accordance to HKFRS 9 to measure expected credit loss ("ECL") which used a lifetime ECL, the directors of the Company considered that the lifetime ECL allowance is insignificant as at 30 June 2026 and 31 December 2025.

The following is an analysis of the trade receivables by age, presented based on the invoice date.

	As at 30 June 2026 US$'000 (unaudited)	As at 31 December 2025 US$'000 (audited)
Less than one month	**13,022**	9,356
One month to three months	**1,169**	1,832
Over three months to six months	**–**	1,106
Over six months	**1,113**	–
	15,304	12,294

14. TRADE AND OTHER PAYABLES

	As at 30 June 2026 US$'000 (unaudited)	As at 31 December 2025 US$'000 (audited)
Trade payables	**15,630**	14,321
Advances from customers	**74**	8,814
Interest payables	**–**	345
Accruals and other payables	**18,292**	15,856
	33,996	39,336

The ageing analysis of the trade payables based on invoice date is as follows:

	As at 30 June 2026 US$'000 (unaudited)	As at 31 December 2025 US$'000 (audited)
Less than one month	**10,372**	12,202
One month to three months	**4,948**	1,870
Over three months to six months	**136**	225
Over six months	**174**	24
	15,630	14,321

15. BORROWINGS

	As at 30 June 2026 US$'000 (unaudited)	As at 31 December 2025 US$'000 (audited)
Other loans	–	28,073

The borrowings are repayable as follows:

	As at 30 June 2026 US$'000 (unaudited)	As at 31 December 2025 US$'000 (audited)
Within one year (shown under current liabilities)	–	28,073

On 18 December 2018, the Group entered into two facility agreements with a bank, Gazprombank JSC, for a loan in aggregate of US$240,000,000 (the "Facility"). The Facility will mature in 2026 and consists of two tranches. The principal under the first tranche amounts to US$160,000,000 with interest being charged at the London Inter-bank Offer Rate ("LIBOR") + 5.7% per annum and is repayable in equal quarterly payments during the term of the Facility, the final payment in December 2026. The principal under the second tranche amounts to US$80,000,000 with interest being charged at LIBOR + 7.7% per annum and is repayable in full at the end of the term, in December 2026. Interest charged on the drawn down amounts under the two tranches is payable in equal quarterly payments during the term of the Facility.

During 2022, Gazprombank JSC assigned its rights under the Facility to MIC invest LLC. The assignment has not resulted in any changes to the terms and conditions of the documentation for the Facility that the Group previously entered into.

Since 21 December 2024, following the discontinuation of LIBOR from 1 October 2024, the Group agreed with MIC invest LLC to charge the interest of the Facility at SOFR 90 + 6.2% per annum under the first tranche which amounted to US$160,000,000 and SOFR 90 + 8.2% per annum under the second tranche which amounted to US$80,000,000.

The full facility amount of US$240,000,000 has been fully drawn down, and as of 31 December 2025, the total borrowings of US$28,073,000 as at 31 December 2025 was borne by LLC KS GOK, a wholly owned subsidiary of the Group.

As at 31 December 2025, the Facility is secured by (i) a charge over the property, plant and equipment with net book value of US$44,756,000; (ii) 100% equity share of LLC KS GOK, a wholly owned subsidiary of the Group; and (iii) pledge of the rights of certain bank accounts of LLC KS GOK.

15. BORROWINGS (CONTINUED)

The drawn down of the Facility is subject to the following requirements:

a) LLC KS GOK must maintain an authorised capital not less than RUB9.1 billion;

b) LLC KS GOK must provide quarterly reporting; and

c) LLC KS GOK must meet the following financial covenants:

   i) Net Debt/EBITDA ratio:

   - Starting from the twelve months period ended 30 June 2022, of less than 3.0 times

   where:

   – Net Debt is defined as the combined amount of short-term borrowed funds plus long-term borrowed funds and leasing obligations less cash or cash equivalents; and

   – EBITDA is defined as loss/profit before tax for the last twelve months plus interest expenses for the last twelve months less interest income for the last twelve months plus depreciation for the last twelve months and adjustments to exclude impairment, exchange rate revaluation and other non-monetary items for the last twelve months and add lease payments for the last twelve months.

   ii) Debt Service Coverage Ratio (DSCR):

   - Starting from the twelve months period ended 30 June 2020 – not less than 1.2 times

   where DSCR is defined as:

   – Incoming cash balance add free cash flow of LLC KS GOK to the share capital add cash payments for servicing the principal debt add cash payments for interest payments; divided by

   – Cash payments for servicing the principal debt add cash payments for interest payments.

During the year ended 31 December 2025, MIC invest LLC has ceased Net Debt/EBITDA ratio and the DSCR covenants requirements for the twelve months period ended on 30 June 2025 and 31 December 2025.

During the first quarter of 2025, apart from settling the scheduled loan principal repayment instalment of US$4.8 million to MIC invest LLC, the Group also made voluntary early principal repayments to MIC invest LLC totaling of US$12.0 million. The second tranche loan amounts to US$80,000,000, that bears higher interest rate, has been fully repaid.

On 17 June 2025, 27 August 2025 and 10 December 2025, MIC invest LLC has agreed to extend the repayment deadline of all installments originally due on 20 June 2025, 20 September 2025 and 20 December 2025 to 20 March 2026 respectively.

During the six months ended 30 June 2026, the Group made voluntary early principal repayments to MIC invest LLC totaling of US$28.1 million to fully repay the other loans.

16. SHARE CAPITAL

	Number of shares	Amount US$'000
At 1 January 2025	12,779,485,885	1,350,734
Share Consolidation (Note (a))	(11,501,537,297)	–
At 31 December 2025 and 1 January 2026	1,277,948,588	1,350,734
Right Issue (Note (b))	638,974,294	41,377
At 30 June 2026	1,916,922,882	1,392,111

Notes:

a. Pursuant to the annual general meeting held by the Company on 25 June 2025, an ordinary resolution was passed to approve the Share Consolidation where every ten (10) issued ordinary shares of the Company were to be consolidated into one (1) ordinary share. The Share Consolidation took effect on 27 June 2025. For details of the Share Consolidation, please refer to the Company's announcements dated 15 May 2025 and 25 June 2025, and circular dated 30 May 2025.

b. On 24 October 2025, the Company proposed to raise up to approximately HK$325.9 million (equivalent to approximately US$41.8 million) before expenses by way of a rights issue to issue a maximum of 638,974,294 rights shares at a subscription price of HK$0.51 per right share on the basis of one rights share for every two existing shares. The rights issue was non-fully underwritten by Axioma Capital FZE LLC ("Axioma Capital"), the ultimate holding company of the Company, who had conditionally agreed to underwrite such number of rights shares which, together with the shares already held by Axioma Capital, would be up to and not exceeding 75% of the total enlarged number of issued shares of the Company at the completion of the rights issue.

   The rights issue was completed on 6 February 2026 for which 638,974,294 rights shares had been issued and the Company had raised approximately HK$325.9 million (equivalent to approximately US$41.8 million) before expenses.

17. RELATED PARTY DISCLOSURES

Key Management Compensation

The remuneration of directors and other members of key management for the following periods was as follows:

	Six months ended 30 June	
	2026	2025
	US$'000	US$'000
	(unaudited)	(unaudited)
Short-term benefits	**1,972**	2,253
Post-employment benefits	**352**	329
	2,324	2,582

The remuneration of key management personnel is determined by the remuneration committee with regards to the performance of individuals and market trends.

18. CONTINGENT LIABILITY

On 25 May 2026, LLC KS GOK, a wholly owned subsidiary of the Company, received a claim amounting to approximately RUB1,044 million (equivalent to approximately US$13.4 million) from the Federal Service for Supervision of Natural Resource Use (Rosprirodnadzor) alleging underpayment of negative environmental impact fees for 2024 on overburden rock and production waste.

The Group is contesting the allegation, and while the final outcome remains contingent on regulatory interpretation and any further proceedings, the directors, based on advice from the Group's legal counsel, believe that the subsidiary has a valid defence against the allegation and, accordingly, no provision has been made.

K&S

100% owned

Key facts:

65%
Fe grade (concentrate)

3.2Mtpa
Production capacity

10Mtpa
Ore process capacity

240km
To Chinese border

547Mt
Total resources

300Mt
Total reserves

30 years +
Mine life

OVERVIEW

K&S, wholly owned by IRC, is located in the Jewish Autonomous Region (EAO) of the Russian Far East. It is the Group's second full-scale mining and processing operation. The project comprises two primary deposits, Kimkan and Sutara. The K&S Phase I is designed to produce 3.2 million tonnes of iron ore concentrate annually, with a grade of 65% Fe. The Phase I Processing Plant was constructed by CNEEC. According to the development timeline for the K&S Phase I project, mining at the Sutara deposit will commence in parallel with Kimkan in 2024, with Sutara's mine life exceeding 30 years. There is an option for a Phase II expansion to increase production to a total of 6.3 million tonnes of 65% iron ore concentrate per annum. As an interim development between the two phases, IRC is evaluating an option to upgrade the Phase I production facility to boost capacity to approximately 4.6 million tonnes per annum.

K&S benefits from a strong geographical advantage. The mine site is directly connected to the Trans-Siberian Railway, enabling efficient product delivery to customers. The opening of the Amur River Bridge in 2022 has further reduced shipping distances for IRC and its customers.

K&S's operations are located 4 kilometres from the town of Izvestkovaya and its railway station, which lies on the Trans-Siberian Railway. The site is also accessible via a federal highway, situated 130 kilometres from the regional capital, Birobidzhan, and 300 kilometres from Khabarovsk, the principal city of the Russian Far East.

OPERATIONAL PERFORMANCE IN THE FIRST HALF OF 2026

In the first half of 2026, the Sutara deposit was effectively the sole source of ore for K&S, accounting for approximately 99% of the ore mined during the period, while mining at the Kimkan deposit was largely completed in line with the planned transition to Sutara. The new crushing plant at the Sutara site (which commenced trial production in December 2025) was ramped up during the period, with two processing lines commissioned and brought to planned capacity in the second quarter of 2026. Pre-concentrate produced at the Sutara crushing plant is delivered to the main processing complex at Kimkan in place of raw ore, reducing transportation volumes and improving the quality of feed delivered to the beneficiation plant.

K&S operated above its nameplate capacity during the first half of 2026, with production equivalent to approximately 106% of annual design capacity on an annualised basis. Production volume was 17% higher than in the same period of the previous year, supported by the modernisation of the processing plant.

SALES AND MARKETING

During first half of 2026, K&S continued using the Amur River Bridge for railway shipments to the Chinese customers. During the period, approximately 1.19 million tonnes of concentrate (approximately 71% of total) were shipped via the bridge.

Seaborne sales continued to be suspended due to the volatile operating environment which makes such sales uneconomical.

SUTARA PIT

Mining operation at the Sutara deposit, which is situated approximately 15 km south-south-west of Kimkan, commenced in July 2024. Sutara provides iron ore material to the processing plant and extends the mine life as the Kimkan deposit approaches depletion. In the first half of 2026, Sutara ore constituted approximately 99% of the total volume of ore mined (4,623,000 tonnes out of 4,690,000 tonnes), compared to 89% for the full year 2025.

The new crushing plant situated at the Sutara deposit, which started trial production in December 2025, was brought to planned capacity during the first half of 2026. With the plant in operation, a product of dry magnetic separation is shipped to Kimkan instead of raw ore, reducing the transportation volume by approximately 20%.

MINING

K&S continued the build-up of its own mining fleet, consisting of two excavators and 11 haul trucks (six units of 220 t and five units of 136 t payload), auxiliary equipment and two drilling rigs performing drilling with own resources. During the first half of 2026, the own fleet performed approximately 57% of total rock mass excavation (H1 2025: nil). Commissioning of K&S's own emulsion explosives plant is expected in the second half of 2026.

During the reporting period, in total 8,308,400 cubic metres of rock mass were excavated, which represents a 22% increase from the same period of the previous year (H1 2025: 6,821,000 cubic metres). This includes 4,690,000 tonnes of ore, broadly unchanged in tonnage compared to H1 2025 (4,702,700 tonnes). Stripping ratio (ratio of the volume of overburden that must be removed to the tonnage of ore mined) increased by approximately 28% to 1.48 cubic metres per tonne (H1 2025: 1.16), reflecting the advanced stripping programme at Sutara undertaken to secure ore availability in subsequent periods.

PRODUCTION

During the first half of 2026, 5,435,300 tonnes of ore were fed to primary processing, 20% more than in the same period of 2025 (H1 2025: 4,516,355 tonnes), with processing volumes supported by a drawdown of ore stockpiles. 3,786,113 tonnes of pre-concentrate were produced at the crushing and screening plant at Kimkan, an 11% increase compared to H1 2025 (3,398,288 tonnes). Commercial iron ore concentrate production in the first half of 2026 was 17% higher than in the same period of 2025: 1,664,009 tonnes (H1 2025: 1,422,870 tonnes), with all-time monthly production records set May and June (300,000 tonnes each), following the phased commissioning of additional high-intensity magnetic separators at the processing plant in the first half of 2026.

UNIT CASH COST

Despite inflation in Russia and a stronger rouble exchange rate, K&S unit production cost in rouble terms decreased by approximately 5% year on year, supported by lower diesel prices, the transition to the own mining fleet and higher production volumes. However, the appreciation of the rouble (average rate of approximately RUB 76.4 per US dollar against approximately RUB 86.6 in H1 2025) translated into higher unit costs in US dollar terms: unit cash cost per wet metric tonne of commercial concentrate totalled US$83.4, a 7.8% increase (H1 2025: US$77.4), and excluding transportation US$66.4, an increase of 10.9% (H1 2025: US$59.9).

SAFETY

Lost Time Injury Frequency Rate (LTIFR) is a calculation of the number of lost-time injuries per one million man-hours worked. During the first half of 2026, K&S maintained a high level of safety with 2 injuries (30 June 2025 injuries: 1) and no fatalities (30 June 2025 fatalities: 0), and a LTIFR of 1.25 (30 June 2025 LTIFR: 0.73).

K&S will be working on further improvement of LTIFR.

Garinskoye

99.76% owned

Key facts:

68%
Fe grade

>3,500km^2
Total iron ore licence area

4.6Mtpa
Fe production capacity

260Mt
Total resources

26Mt
Total reserves

20 years +
Mine life

OVERVIEW

Garinskoye, 99.76% owned by IRC, is an advanced exploration project. The project provides an opportunity for a low-cost DSO-style operation that can be transformed into a large-scale and long-life open pit mining operation.

The project is located in the Amur Region of the Russian Far East, midway between the BAM and Trans-Siberian Railways. With exploration licences for ground covering an area of over 3,500 km^2, the project is the largest in the IRC portfolio in terms of area.

FUTURE DEVELOPMENT

There are two possibilities to develop Garinskoye. The first option is to develop a large-scale 4.6 million tonnes per annum open-pit operation with a life-of-mine of 20 plus years, which requires the construction of a rail connection. The second option is an intermediate DSO- style operation that does not require a rail connection and can be started in advance of a larger conventional operation. The DSO-style plan comprises a pit with a reserve of 26.2 million tonnes, a grade of 47% Fe, and a stripping ratio of 1.7:1 m^3 per tonne. The DSO-style plan would then be able to produce 1.9 million tonnes per annum, with 55% grade iron ore fines and a life of operation of 8 years. There is an option to further increase the project value at very little additional capital expenditure by adding a further wet magnetic separation stage to produce a high-grade "super-concentrate" with a 68% iron ore content.

In 2013, IRC conducted an internal Bankable Feasibility Study. A third-party verification and a fatal flaws analysis for the DSO-style operation was carried out in 2014.

The Company is currently reviewing the options on how to move the project forward.

OTHER PROJECTS

The Group's other projects include a mining consultancy services agency (Giproruda).

Below is a summary of the current portfolio of the other projects of the Group as of 30 June 2026:

Project	Products/Service	Location
Giproruda (70% owned)	Technical mining research	St. Petersburg, Russia

IMPACT OF SANCTIONS AGAINST RUSSIA

IRC is listed on the Hong Kong Stock Exchange and operates mines in the Russian Far East. Most of the Group's suppliers and customers are based in China and Russia. The Company continues to evaluate the potential impact of UK, EU, and US sanctions. As of now, and to the best of the Board's knowledge based on current assessments and available information, the sanctions have no material direct impact on the Group or its operations. Although the Group's operations and activities in Russia and elsewhere continue as usual, the evolving geopolitical situation poses a risk of supply chain disruptions affecting K&S's operations. IRC will continue to monitor sanctions developments closely and will issue further announcements if necessary.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

Contingent Liability

The contingent liability of the Group as of 30 June 2026 is disclosed in note 18 of the Condensed Consolidated Financial Statements.

Significant Investments, Acquisition and Disposals

Apart from the development of the Sutara Pit and the setting up of K&S's own mining fleet, during the six months ended 30 June 2026, the Group had no significant investments, or major acquisitions and disposal of subsidiaries, associates and joint ventures. The Group does not have any specific future plans for material investment or capital assets as at the date of this announcement apart from the development of the Sutara Pit and the purchase of mining equipment as disclosed.

Corporate Governance

The Management and Board of IRC are committed to promoting good corporate governance to safeguard the interests of the shareholders and to enhance the Group's performance. The Group believes that conducting its businesses in an open and responsible manner and following good corporate governance practices serve its long-term interests and those of its shareholders. Detailed disclosure of the Company's corporate governance policies and practices is available in the annual report of the Company for the financial year ended 31 December 2025.

During the six months ended 30 June 2026, the Company has applied and complied with the principles of the Corporate Governance Code as stated in Appendix C1 to the Listing Rules to its corporate governance structure and practices.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "Model Code"). The Company has also adopted the Model Code as the Code for Securities Transactions by Relevant Employees to regulate dealings in securities of the Company by certain employees of the Company, or any of its subsidiaries and holding companies, who are considered to be likely in possession of inside information in relation to the Company or its securities. The Company has internal controls for handling and dissemination of inside information whereby the Chairman of the Board, the Executive Director and the Company Secretary work closely, seeking advice from legal advisors from time to time, if needed, with proper reporting of and approval from the Board, for proper handling and dissemination of inside information in accordance with relevant laws and regulations.

Review by Audit Committee

The Audit Committee has reviewed and discussed with the management of the Company the unaudited interim results of the Company for the six months ended 30 June 2026. The Audit Committee comprises three independent non-executive directors, namely Mr. Alexey Romanenko (the Chairman of the Audit Committee), Mr. Vitaly Sheremet and Mr. Dmitry Dobryak.

The 2026 interim results have also been reviewed by the external auditors.

Publication of Interim Results and Interim Report

This results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and of the Company (www.ircgroup.com.hk). The interim report of the Company for the six months ended 30 June 2026 containing all the information required by the Listing Rules will be made available to the Company's shareholders and published on the above websites in due course.

Note *Figures in this announcement may not add up due to rounding. All volume of tonnage used in this announcement, unless specified, refer to wet metric tonnes. All dollars refer to United States Dollar unless otherwise stated.*

Production volumes disclosed in this announcement are determined net of the excessive moisture content within the products, as shipped to the customers. Production rate of K&S is calculated based on an annual production capacity of approximately 3,155 thousand wet metric tonnes.

By Order of the Board
IRC Limited
Denis Cherednichenko
Executive Director and
Chief Executive Officer

Hong Kong, People's Republic of China
Friday, 28 August 2026

As at the date of this announcement, the executive Director is Mr. Denis Cherednichenko. The Chairman and non-executive Director is Mr. Nikolai Levitskii. The independent non-executive Directors are Mr. Dmitry Dobryak, Ms. Natalia Ozhegina, Mr. Alexey Romanenko and Mr. Vitaly Sheremet.

IRC Limited
6H, 9 Queen's Road Central, Hong Kong
Telephone: +852 2772 0007
Email: ir@ircgroup.com.hk
Website: www.ircgroup.com.hk

For further information, please visit www.ircgroup.com.hk or contact:

Johnny Yuen
Finance Director (HK) & Company Secretary
Telephone: +852 2772 0007
Email: jy@ircgroup.com.hk