

MKANGO RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the six months ended 30 June 2026

This Management's Discussion and Analysis ("MD&A") provides an overview of the operational and financial performance of Mkango Resources Ltd. ("Mkango" or the "Company"). This MD&A has been prepared in accordance with the disclosure requirements of National Instrument 51-102 – Continuous Disclosure Obligations (NI 51-102) as modified by the Coordinated Blanket Order 51-933 (CBO 51-933) permitting semi-annual reporting and should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the six months ended 30 June 2026 (the "Financial Statements"), which have not been reviewed by the Company's auditor. All amounts are in U.S. dollars unless otherwise indicated.

Accordingly, this MD&A represents the Company's six-month interim financial reporting period ended 30 June 2026. The Company is no longer required to prepare and file interim financial statements and related Management's Discussion and Analysis ("MD&A") for the three-month and nine-month interim periods, being the first and third quarters of its financial year for so long as the Company continues to satisfy the eligibility requirements and conditions of CBO 51-933. The Company will nevertheless continue to provide quarterly operational updates to the market.

The Company continues to be subject to the continuous disclosure requirements applicable to reporting issuers, including the requirement to disclose material changes and other information required under applicable securities legislation.

The Financial Statements and the accompanying notes have been prepared in United States dollars ("\$"), unless otherwise indicated, and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), together with interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) in effect as of 1 January 2026.

This MD&A is dated 31 August 2026.

The Board of Directors has reviewed and approved the information contained in this MD&A and in the Financial Statements.

Readers are cautioned that this MD&A contains forward-looking statements. Please refer to the section titled Forward-Looking Statements below.

Additional information related to Mkango is available on SEDAR+. ¹ For clarity, the SEDAR+ website does not form part of this MD&A.

Mkango's common shares trade on the TSX Venture Exchange (TSX-V) and on the AIM Market of the London Stock Exchange (AIM) under the symbol MKA.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements (within the meaning of that term under applicable securities laws) with respect to Mkango. Generally, forward-looking statements can be identified by the use of words such as "plans", "expects" or "is expected to", "scheduled", "estimates", "intends", "anticipates", "believes", or variations of such words and phrases, or statements that certain actions, events or results "can", "may", "could", "would", "should", "might" or "will", occur or be achieved, or the negative connotations thereof, including statements regarding Mkango's corporate strategy. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements.

¹ <https://www.sedarplus.ca/landingpage/>

Such factors and risks include, without limitation: the availability of (or delays in obtaining) financing for the Company's projects; the ability to secure and maintain valid mining rights, permits and licences in Malawi and Poland; the ability to scale the HPMS and chemical recycling technologies to commercial scale; the availability and cost of feedstock and scrap supplies; rare earth price volatility, and competitor action including increases in global supply, dumping and predatory pricing; the completion of the Proposed Business Combination and the Nasdaq listing of MKAR; reliance on CoTec's funding of HyProMag USA; construction and commissioning risk, including cost overruns and delay; operational, health and safety and environmental incident risk, including tailings and water management; political, fiscal and operational country risk in Malawi; land access and the maintenance of the social licence to operate at Songwe Hill; government regulation and trade policy, including export controls and tariffs; the additional reporting, governance and control obligations that would follow a Nasdaq listing; the Company's ability to continue as a going concern; political and economic uncertainty in the jurisdictions in which the Company operates; and the impact of ongoing conflicts and geopolitical disputes. These and other risks are described more fully in Section 5.9 - Risk Factors, which should be read together with this cautionary statement.

The forward-looking statements contained in this MD&A are made as of the date of this MD&A. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise, except as required by applicable law. Additionally, the Company undertakes no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above.

The material forward-looking statements contained in this MD&A – including the targeted commissioning and scale-up of the HyProMag UK and HyProMag Germany plants, targeted first revenue from HyProMag USA in H2 2027, the results of the updated Songwe DFS and Pulawy PFS, the expected completion of the Proposed Business Combination and the integration of the Remloy business – are based on material factors and assumptions, including: prevailing and forecast rare earth prices used in the Company's economic studies; the completion of the SEC review process and the satisfaction of the conditions to closing of the Proposed Business Combination, including approval by the shareholders of CPTK, by the Company as shareholder of MKAR, by the TSX Venture Exchange, and of MKAR's Nasdaq listing application; in respect of Remloy, the retention of the operational and technical team on integration; the availability of equity and alternative financing on acceptable terms; the timing of commissioning and ramp-up of the HyProMag UK and HyProMag Germany plants; the timing of grant of the Songwe Hill large-scale mining licence and the continuation of the retention licences in good standing; the availability and cost of feedstock; the continuity of grant funding and of CoTec's funding of HyProMag USA; the continuation of the European Union Critical Raw Materials Act (CRMA) Strategic Project designations; and the availability of the EXIM Bank facility. Certain previously disclosed forward-looking statements, including the targets of first production at HyProMag Germany by the end of 2025 and completion of the Proposed Business Combination and Nasdaq listing by the end of 2025, were not achieved within the targeted timelines.

SPECIFIED FINANCIAL MEASURES

This MD&A discloses financial measures in respect of the Pulawy Project, the Texas Hub and the HyProMag USA expansion concept study which are specified financial measures within the meaning of National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure (NI 52-112).

Each measure described below is forward-looking information, is derived from an economic study of a project which is not in production, has no standardised meaning under IFRS, is not disclosed in the Financial Statements and may not be comparable to a measure presented by any other issuer. No measure should be considered in isolation from, or as a substitute for, a measure prepared in accordance with IFRS. Each is stated on a 100% project basis and is not adjusted for the Company's indirect ownership interest in the project.

Non-GAAP financial measures. Net present value is the aggregate of the projected post-tax free cash flows of the project over its life of operations, discounted at the rate stated for that project. Life-of-operations cash flow is the aggregate of those projected post-tax free cash flows in nominal terms, undiscounted. Neither project is in production and neither measure has an equivalent historical measure, whether in the Financial Statements or otherwise. No reconciliation is therefore presented.

Non-GAAP ratios. Internal rate of return is the discount rate at which the net present value of the projected post-tax cash flows of the project is zero. All-in sustaining cost is a projected unit cost of production expressed per kilogram of product. Each has a non-GAAP financial measure as a component and none is reconciled to a measure presented in the Financial Statements.

Supplementary financial measures. Initial capital cost is the projected capital expenditure to bring the project to the commencement of production, stated inclusive of contingency where so described. Payback period is the period from the point stated for each project until the cumulative projected post-tax cash flows of the project equal its initial capital cost.

The assumptions on which each measure is based are set out under material assumptions in the section describing the relevant project, and are subject to the cautionary note regarding financial outlook information below.

Cautionary note regarding financial outlook information. The net present value, internal rate of return, payback, all-in sustaining cost, operating cost and life-of-operations cash flow figures disclosed in this MD&A in respect of the Texas Hub, the HyProMag USA expansion concept study, the Songwe Hill Project and the Pulawy Project constitute “financial outlook” and future-oriented financial information within the meaning of NI 51-102. This information has been prepared by management, on the material assumptions set out in this MD&A, for the purpose of illustrating the potential economic outcomes of each project and assisting readers in assessing the merits of the Company’s project portfolio. It was approved by management as at the date of this MD&A. Readers are cautioned that this information may not be appropriate for any other purpose and should not be relied upon as a prediction of actual results. The assumptions on which it is based are subject to significant business, economic, competitive, regulatory and technical uncertainties and contingencies, many outside the Company’s control, including rare earth price movements, capital and operating cost escalation, permitting and licensing outcomes, feedstock and offtake availability, financing availability and construction and commissioning risk. The studies from which these figures are drawn are at differing levels of confidence - detailed design, definitive feasibility, pre-feasibility and concept study - and the lower the study level, the greater the uncertainty. Actual results will differ, and those differences may be material. None of the projects has been the subject of a construction decision and no assurance can be given that any project will be developed.

1 H1 2026 HIGHLIGHTS AND SUBSEQUENT EVENTS

- Cash position of US\$13.6 million as at 30 June 2026. Subsequent to the half year end, the Company completed the acquisition of the Remloy business (“Remloy”) from Heraeus Amloy Technologies GmbH (“Heraeus”) and settled the initial €5 million (US\$5.8 million) cash consideration. The Company also received proceeds of £94,500 and C\$73,350 through the exercise of warrants and options equating to a total of US\$180,515.
- Loss after tax for the six months ended 30 June 2026 was \$3,019,373 compared to a loss after tax of \$3,659,383 for the six months ended 30 June 2025, primarily due to a non-cash fair value adjustment relating to investor warrants which resulted in a credit to the income statement offsetting increased expenditure in 2026.
- As previously announced, Mkango has completed the acquisition of Remloy from Heraeus Amloy Technologies GmbH for €8 million (US\$9.3 million) in cash, of which €5 million (US\$5.8 million) was paid on completion on 28 August 2026 and the balance of €3 million (US\$3.5 million) is payable in cash on 28 August 2028, being the second anniversary of completion (the “Transaction”).
- Mkango is now uniquely positioned across the whole rare earth supply chain in Europe and North America, including projects for magnet and alloy manufacturing, short, medium and long loop recycling across UK, Germany and USA, rare earth separation in Poland, mining in Malawi, and rare earth metal making under evaluation.
- Both HyProMag and the recently acquired Remloy business can process feedstock derived from recycled end-of-life magnets or from primary rare earth production, whether third party sourced or, in due course, from our own projects, providing customers with a broad range of magnet and alloy products, together with cost effective and energy efficient recycling solutions.
- On 3 July 2025, Mkango Rare Earths Limited (“MKAR”) (formerly Lancaster Exploration BVI) and Crown PropTech Acquisitions signed a Business Combination Agreement (“BCA”) to create a geographically strategic, pure-play global rare earth platform, comprising the Songwe Hill Rare Earths Mining Project and the Pulawy Rare Earths Separation Project. The pro forma value of Mkango’s shareholding in MKAR (excluding its existing recycling businesses) pursuant to the BCA is US\$400 million prior to transaction expenses and excluding any net proceeds from a PIPE financing and any amounts available from CPTK’s trust account. The BCA was amended on 13 February 2026 and 20 May 2026.
- An investor presentation was filed on 10 June 2026. Discussions regarding financing are on-going and a market update will be provided in due course.
- Completion of the proposed business combination is subject to a number of conditions, including but not limited to, the approval of a Nasdaq listing application, approval by Mkango as shareholder of MKAR, approval by the shareholders of

CPTK, approval by the TSX Venture Exchange ("TSX-V"), and the satisfaction or waiver of other closing conditions.1.1 Rare Earth Magnet Recycling and Manufacturing Projects

- On 31 August 2026, following the close of markets, MKAR and the holder of one of its promissory notes (the "BCA Note") issued under the Note Purchase Agreement, dated 2 June 2025 (the "Note Purchase Agreement"), agreed to amend the BCA Note as of 1 July 2026 to extend its maturity to 31 December 2026, increase its principal amount to \$623,766, and increase the amount due at maturity to \$650,000. At that same time, MKAR and the holder of the second promissory note issued under the Note Purchase Agreement (the "F-4 Note"), agreed to reflect the interest paid as of 13 August 2026 in kind under the F-4 Note in its principal amount, increasing it to \$261,250. Upon board approval of the anticipated share reclassification in connection with the closing of the Proposed Business Combination, if such approval occurs, each holder would release MKAR from the debt under each of the BCA Note and the F-4 Note in consideration for MKAR issuing Class A shares to them at \$5.00 per share in an amount equal to such debt amount released.

1.1.1 HyProMag Ltd (UK) ("HyProMag UK")

- The recycling and magnet manufacturing plant developed by HyProMag and the University of Birmingham at Tyseley Energy Park ("TEP Birmingham"), UK, was officially opened by Chris McDonald MP, UK Minister for Industry in the Department for Energy Security and Net Zero and the Department for Business and Trade in January 2026.
- In the recent period, the focus has shifted to magnet manufacturing. The commercial scale presses and sintering furnaces for manufacturing of magnet blocks at TEP Birmingham are fully commissioned with sintered magnet blocks now being produced on a small scale for customer evaluation in advance of scale-up. In parallel, pilot scale facilities at the University of Birmingham are producing samples for evaluation across the HyProMag group. HyProMag is receiving strong interest in the HyProMag product suite underpinned by positive customer testing of samples.
- Initial production of recycled neodymium iron boron ("NdFeB") alloy powder from the commercial scale Hydrogen Processing of Magnet Scrap ("HPMS") vessel at TEP Birmingham has resumed. In recent weeks, the operational focus has been on HPMS debottlenecking, ramp-up optimisation and improvements, and initial testing of various scrap feedstocks, in parallel with recruitment and staff training, which has resulted in lower HPMS throughput. Produced HPMS powder is now being utilised for manufacturing of magnet block samples for customers. 10.1 tonnes has been produced to date. Excess HPMS powder will continue to be produced and sold when available, with the priority being on scaling-up magnet manufacturing.
- Once all equipment at TEP Birmingham is optimised for steady state operations, which is targeted by the end of this year, HyProMag is targeting scale-up to between 100 to 350 tonnes per year (depending on the assumed number of production shifts) of NdFeB magnets and alloys.
- Feasibility studies have commenced for a further phased expansion of capacity at TEP Birmingham to a minimum of 1,000 tonnes per year of NdFeB magnets and alloys. HyProMag has engaged leading engineering firm WSP UK LIMITED ("WSP") to complete the feasibility study. The project cost is estimated at £1.12 million, with 60% grant funded (£0.67 million) by the UK Government as part of the DRIVE35 programme, delivered by the Department for Business, Innovation, Science and Trade in partnership with the Advanced Propulsion Centre and Innovate UK.

1.1.2 HyProMag GmbH (Germany) ("HyProMag Germany")

- First commissioning runs of recycled NdFeB alloy powder from the commercial scale HPMS vessel at HyProMag's plant site in Pforzheim, Germany, were announced in April 2026. The site is fully permitted for production of up to 750 tonnes per annum of NdFeB magnets and alloys.
- Once fully commissioned, the Pforzheim plant will have a minimum initial capacity of approximately 100 tonnes per annum of NdFeB increasing to up to circa 350 tonnes per annum with multiple shifts. A further expansion to a targeted 750 tonnes per annum is under evaluation.
- The plant was officially opened by the German Federal Ministry for Economic Affairs on 28 April 2026, with the opening ceremony presided over by Stefan Rouenhoff, Parliamentary State Secretary of the Federal Ministry for Economic Affairs and Energy.
- On 27 April 2026, the bilateral Germany-UK Business Government Forum took place in Berlin, where Katherina Reiche, Federal Minister for Economic Affairs and Energy of Germany and The Right Honourable Peter Kyle MP, Secretary of State for Business and Trade for the United Kingdom, signed a Joint Statement on cooperation on Critical Raw Materials with HyProMag featuring explicitly in the declaration as follows: [Joint Statement of the Department for Business and Trade of the](#)

[United Kingdom and the Federal Ministry for Economic Affairs and Energy of Germany on cooperation on Critical Raw Materials](#)

- Strong progress has been made with the ongoing commissioning of the plant during the first half of 2026 with the HPMS vessel, jet mill, transverse and axial presses all commissioned, and the first pressed NdFeB magnet blocks produced from both the presses.
- Associated infrastructure developments are also proceeding well with commissioning and connection of the new 1,000 kVA transformer, as well as commissioning and successful TÜV inspection and approval of the new 20,000-litre liquid nitrogen storage tank.

1.1.3 HyProMag USA LLC (USA) (“HyProMag USA”)

- A lease agreement for HyProMag USA’s proposed rare-earth magnet recycling and manufacturing facility in Dallas-Fort Worth, Texas (the “Texas Hub”) was signed in December 2025. The site is strategically located next to critical infrastructure, including the BNSF intermodal rail link and the Alliance Airport.
- On June 3, 2026, HyProMag USA took occupation, with the lease now fully in effect, and has begun establishing an operational presence at the site, including installation of communications infrastructure, security systems and other foundational requirements to support project activities.
- On 22 June 2026, following further detailed engineering, HyProMag USA announced increased projected capacity of approximately 1,048 tonnes per annum of recycled sintered NdFeB magnets and 478 tonnes per annum of NdFeB co-products, a total payable capacity of 1,526 tonnes per annum over a 40 year operating life, and updated economics using a 7% real discount rate, superseding those announced in December 2025:
 - \$416 million post-tax net present value (NPV) and 26.3% real internal rate of return (IRR) based on current market prices
 - \$797 million post-tax NPV and 37.1% real IRR based on forecast market prices.
- Concept studies for expansion of the South Carolina and Nevada hubs were announced in January 2026, which would increase total HyProMag USA magnet and alloy production from 1,552 tonnes NdFeB to 4,656 tonnes NdFeB per annum, supporting scalable U.S. manufacturing strategy and reinforcing momentum towards a planned U.S. public listing.
 - \$1,143 million post-tax NPV and 27.6% real IRR based on current market prices using a 7% real discount rate
 - \$2,180 million post-tax NPV and 38.7% real IRR for expanded hub developments, based on forecast market prices using a 7% real discount rate, supporting commencement of pre-feasibility studies for the expansions.
- HyProMag USA entered into an agreement with global electronics recycler, Intelligent Lifecycle Solutions, LLC (“ILS”), in July 2025 for feedstock supply and pre-processing site share in Nevada and South Carolina, with three Inserma units purchased and delivered to the ILS sites in South Carolina and Nevada in February 2026.

1.1.4 Remloy

- Remloy has developed a plant in Bitterfeld, Germany, which recycles end-of-life rare earth magnets via a melting process (medium loop recycling) to produce neodymium-iron-boron (“NdFeB”) alloy powders for the bonded and hot deformed magnet markets. The Remloy process is complementary to HyProMag’s short loop recycling process to produce sintered magnets, and to Mkango Rare Earths UK’s long loop recycling process, to produce mixed rare earth carbonates and oxides. Target capacity is at least 500 tonnes per year of NdFeB alloy powder.
 - Fully commissioned production facility, supported by significant investment in equipment and feedstock to date, providing a strong foundation for current production and future expansion opportunities.
 - Very large stockpile of end-of-life rare earth magnets, rare earth alloys and other raw materials, totalling approximately 345 tonnes as at completion, providing future feedstock for Remloy and HyProMag, thereby helping to underpin their respective growth strategies and providing future trading opportunities

- Targeting scale-up to full capacity over the next few years with current focus on small scale production for product optimisation and initial sales, sample generation for customers and ongoing offtake discussions to support scale-up of operations
 - Significant synergies with both HyProMag and Mkango
- Former co-Head of Heraeus Remloy, Mr David Bender, has been appointed Managing Director of Remloy with effect from completion, and will work closely with the Mkango and HyProMag teams to grow the business and capture synergies across the group. Mr Bender will continue to be supported by Mr Karsten Rachut, Head of Technology, and Mr Matthias Weber, Head of Operations, together with a strong corporate and operational team already in place.
- With Remloy's significant magnet and alloy stockpile, Mkango is now very well positioned in the secondary market for magnetic materials, further enhanced by access to Hydrogen Processing of Magnet Scrap ("HPMS") technology being commercialised by HyProMag, which enables cost effective and energy efficient liberation of embedded NdFeB magnets from end-of-life and production scrap streams. There are significant potential synergies with Mkango and HyProMag including:
 - Enhanced platform for growth in major market for magnetic materials through the development of a further operating site in Germany
 - Supply of end-of-life magnets from the Remloy stockpile for processing by the HyProMag group
 - Supply of feedstock derived from HPMS by HyProMag to Remloy
 - Technical and grant funding collaboration between Mkango, Remloy, HyProMag, University of Birmingham and Pforzheim University
 - Co-marketing of products from Mkango, HyProMag and Remloy, providing an expanded product suite to customers
 - Future opportunity to supply primary rare earth feedstock from Mkango's Songwe Hill project to Remloy operations for blending with recycled feedstock
- In addition to potential synergies, there are significant growth opportunities through scale-up of existing operations and bolt on opportunities for other rare earth metal and alloy process technologies such as strip casting

1.2 Upstream Rare Earths Projects

- On 20 May 2026, MKAR filed an initial registration statement on Form F-4 with the SEC in connection with the Proposed Business Combination with CPTK.
- On 8 June 2026 MKAR filed its most recent registration statement on Form F-4 with the U.S. Securities and Exchange Commission (Amendment No. 1).

The Company filed an updated technical report under National Instrument 43-101 in relation to the definitive feasibility study for the Songwe Hill Rare Earths Project ("Songwe") in Malawi (the "Songwe DFS"), previously announced on 19 March 2026. The press release in relation to the Songwe DFS update is available on the Company's website.² The Songwe DFS is also available to be downloaded from Mkango's profile on SEDAR+.

Results of the updated Songwe DFS were issued on 19 March 2026. Songwe's post-tax NPV is approximately \$339 million, using a 10% nominal discount rate (7.3% real), with an internal rate of return ("IRR") of 24.32%, payback period of 3.4 years from start of full production, and post-tax life-of-operations nominal cash flow of \$1.55 billion.

Results of a pre-feasibility study (PFS) for the proposed Pulawy Rare Earths Separation Plant ("Pulawy") in Poland were issued in March 2026 alongside the Songwe DFS update. Pulawy's post-tax NPV is approximately \$779 million, using a 10% nominal

² <https://mkango.ca>

discount rate, with an IRR of 39.7%, payback period of 2.12 years from start of full production and a post-tax life-of-operations nominal cash flow of \$4.95 billion.

See “Cautionary note regarding financial outlook information” under Specified Financial Measures. The scientific and technical information in the paragraphs above relating to Songwe Hill is derived from the Songwe DFS, which was approved and verified by the qualified persons (QPs) named at Section 2.5.1.4.

In September 2025, MKAR entered into a Project Development Funding Agreement with the U.S. International Development Finance Corporation (the “DFC”), to secure \$4.6 million in reimbursable funding for Songwe. The funds are expected to support project development activities in the form of Front-End Engineering and Design (FEED) and value engineering studies, and are to be equally matched by MKAR contributions.

1.3 Corporate Matters

- Mkango appointed London-based Hannam & Partners (“Hannam”) as Joint Broker and corporate sponsored research provider, effective 1 December 2025. Hannam is authorised and regulated by the FCA (the UK Financial Conduct Authority). Together with Joint Brokers SP Angel, Hannam will support Mkango’s strong growth profile of advanced stage projects across the rare earths supply chain. Under the terms of the agreement, Hannam will provide corporate broking and research services to Mkango, general market intelligence, feedback on the market’s view of the Company and market activity in the shares.
- On 31 March 2026, Mkango announced a proposed equity offering to raise gross proceeds of approximately £10 million (\$13.5 million) (the “Fundraise”). The Fundraise consisted of a placing to certain institutional and other investors, carried out by way of an accelerated bookbuild, a private placement to certain investors in Canada pursuant to the Listed Issuer Financing Exemption (or LIFE, under Canadian securities laws) and to “qualified institutional buyers” in the US, as well as a separate retail offer in the UK and a direct subscription by certain investors outside of the US and Canada. A conditional retail offer of new common shares of the Company (“Common Shares”) via RetailBook was also made. The Fundraise was conducted via the issue of new Common Shares of no par value in the capital of the Company at a price of 33 pence per common share.
- The results of the Fundraise were announced on 1 April 2026. The Fundraise generated strong demand, was significantly oversubscribed and resulted in an increase in gross proceeds to £12.5 million (\$16.8 million) before expenses. The Company announced that a total of 37,878,788 new Common Shares in the capital of the Company had been conditionally placed with, or subscribed for by, new and existing investors at the placing price of 33 pence per common share. The new Common Shares to be issued in aggregate pursuant to the Fundraise represented approximately 10.8% of the issued share capital of the Company prior to the Fundraise.
- The annual general meeting was held on 5 June 2026 where an amended and restated stock option plan extending option expiry beyond ten years, an amended RSU plan increasing the reserved shares, an amended EMI plan, and a TSXV review waiver for MKAR were all approved.
- Mkango appointed Cavendish Capital Markets Limited (“Cavendish”) which includes Alex Wood and Nick Chalmers as joint corporate broker to the Company on 9 July, 2026. Cavendish is a full-service investment bank and advisory firm headquartered in London and authorised and regulated by the UK Financial Conduct Authority. Under the terms of the broking agreement (“Agreement”), Cavendish will provide corporate broking and research services to the Company, and provide general market intelligence, feedback on the market’s view of the Company and on market activity in the Company’s shares. The Agreement provides for an annual fee of £50,000 per year, payable quarterly, in connection with the provision of such services, funded from the Company’s general working capital. The Agreement runs for an initial term of 12 months with a one month notice of termination provision. Cavendish and Mkango are unrelated and unaffiliated entities. Cavendish has confirmed to Mkango that it does not have any interest, direct or indirect, in any securities of Mkango or a right to acquire any such securities.

1.4 Market Overview

The rare earths market has been shaped since the beginning of 2025 by critical minerals policy intervention, trade controls and supply chain restructuring. What follows is management’s understanding of market conditions during the period and to the date of this MD&A, drawn from public policy announcements and industry reporting; it is not a forecast, and the Company does not adopt the statements of third parties referred to below. The principal themes have been:

- Escalating trade controls and counter-measures between China and non-China aligned nations.
- Emergence of bilateral and multilateral partnerships to secure supply chains.
- Significant government financial commitments (billions of dollars) to support ex-China domestic production or nation state owned/identified producers, including guaranteed price floors.
- Development of a two-tier pricing market with premiums for non-Chinese sources.
- Acceleration of recycling technologies and commercial-scale facilities.

Continued volatility in rare earth prices, which are set principally outside the markets in which the Company operates, and competition from established producers which are substantially larger and in several cases state-backed.

Subsequent to the period end, on 30 July 2026 the Trump Administration announced new Defense Production Act authority over recovered critical minerals from end-of-life products such as permanent magnets, and industrial waste. It created additional authority for the US government to support recovery, processing and reuse of such materials.

On **20 July 2026**, it was reported that China was still not shipping heavy rare earths to Japan. There were also no shipments of yttrium to the USA for a second consecutive month.

On **1 July 2026**, the UK government formally opened the competition for the Magnet Hub, a UK government grant initiative designed to establish a national centre of excellence for rare earth permanent magnet manufacturing, recycling, and innovation with one intended recipient of funds, first draw down of funds in December 2026, and the funded programme running through March 2030.

Between January and April 2026, Western nations rapidly accelerated efforts to insulate themselves from Chinese supply chain dominance through massive stockpile initiatives, bilateral trade deals, and new preferential trade frameworks. The U.S. launched the \$12 billion "Project Vault" critical minerals stockpile and unveiled plans for an allied trade bloc featuring coordinated price floors, despite domestic trade policy shifts following a Supreme Court ruling on national emergency tariffs. Simultaneously, global alliances solidified as Australia partnered with Canada, finalised a critical minerals trade deal with the EU, and secured a joint U.S.-Australia commitment exceeding \$3.5 billion to critical minerals projects and supply-chain development. The U.S. also established an action plan with Japan to build non-Chinese supply alternatives and joined the EU in announcing a Critical Minerals Trade Coordination Plan. These initiatives were further complemented by institutional support, including the launch of the EU's RESourceEU platform to aggregate demand and U.S. calls for the World Bank to expedite infrastructure financing.

By May and June 2026, these Western strategies were pushed into high gear as operational realities and geopolitical friction worsened. In response to China's industrial overcapacity and pricing power, French officials called for a total restructuring of global rare-earth markets to rebuild European magnet and oxide supply chains. Despite high-level U.S.-China summit talks in Beijing—where China agreed to address select supply concerns—the U.S. Trade Representative noted ongoing, inconsistent licensing delays, with Chinese exports of key heavy rare earths like dysprosium and terbium remaining roughly 50% below historical levels. As China retaliated against trade practices and targeted key nations like Germany and Japan with severe export cuts, Western buyers faced persistent supply shortages and inflated prices, solidifying China's unpredictable licensing regime as an enduring, structural risk to global manufacturing.

Throughout 2025, international trade policy for rare earths and critical minerals shifted toward increased government intervention, security frameworks, and supply chain diversification. In response to export controls and tighter domestic regulations introduced by China early in the year, the United States, the European Union, and the United Kingdom launched targeted policy measures. The U.S. initiated a Section 232 national security investigation into processed mineral imports and established new funding pathways under the "Immediate Measures" order. Concurrently, the EU fast-tracked domestic processing capacity by approving its first list of Strategic Projects under the CRMA, including Mkango's separation plant in Poland, and later adopted the RESourceEU action plan to accelerate critical raw material financing.

To establish alternative supply chains, governments formalised bilateral frameworks and direct financial support mechanisms. The U.S. concluded joint policy frameworks with Australia and Japan that committed billions of dollars toward project financing, streamlined permitting, stockpiling strategies, and joint supply monitoring groups. Government entities also introduced direct economic backstops to stabilise domestic production; the U.S. Department of Defense committed \$400 million to MP Materials'

permanent-magnet facility alongside a \$110/kg minimum price floor for stockpiled or sold neodymium-praseodymium (NdPr) products, while the Australian government evaluated setting similar price floors via national offtake agreements.

Regulatory dynamics shifted toward the end of 2025 following bilateral trade negotiations between the U.S. and China. After expanding export controls in October to cover rare earth precursor ores, processing technology, and equipment, China suspended the global implementation of these specific restrictions for one year. Beijing subsequently introduced a new regulatory layer by issuing year-long general export licences for designated overseas customers, replacing the previous case-by-case licensing system while maintaining its underlying control framework. Although this suspension eased immediate market supply concerns, buyers continued to experience administrative delays, leading to a structural rise in long-term contracts featuring price floors, take-or-pay clauses, and market premiums for ex-China materials.

For the Company these conditions cut both ways. Policy support for supply chains outside China, the designation of Songwe Hill and the Pulawy Project as Strategic Projects under the CRMA, and the emergence of a premium for material of non-Chinese origin each support the case for the Company's recycling operations in the United Kingdom, Germany and the United States and for its projects in Malawi and Poland. Against that, prices remain volatile, the established producers are substantially larger and better financed, and the same policy attention that supports the Company's projects is increasing competition for the end-of-life magnet feedstock on which its recycling operations depend. These matters are described as risks at Section 5.9

2 MKANGO OVERVIEW

Mkango is focused on becoming a market leader in rare earth magnet recycling and manufacturing through its 79.4% owned subsidiary, Maginito Limited ("Maginito"), and Mkango's 100% owned German subsidiary, Mkango GmbH ("Mkango GmbH"), which has acquired the rare earth magnet recycling assets of Remloy. Both entities will be the focus for Mkango's interests in rare earth recycling and magnet production, supporting the fast-growing demand from electric vehicles, wind turbines, and other clean energy technologies. Maginito's unique platform, which combines innovative technology, a growing operational footprint, and global partnerships, positions it at the forefront of the rare earth circular economy and the clean energy transition.

Maginito's operations include:

- HyProMag UK (100% ownership) and HyProMag Germany (90% effective ownership): advancing short-loop rare earth magnet recycling in the UK and Germany;
- Mkango UK (100% ownership): focused on long-loop chemical recycling to produce rare earth oxides; and
- HyProMag USA: a 50/50 joint venture between HyProMag UK and CoTec Holdings Corp ("CoTec"), to drive expansion into the North American market.

Other jurisdictions being evaluated for HyProMag and Inserma technology roll-out include Japan, Canada and South Korea.

Maginito is the vehicle for the commercialisation of the proprietary HPMS technology - a low-carbon, energy-efficient, non-chemical process for recovering NdFeB alloy powder from end-of-life magnetic products. Recycled powders are reintegrated into the supply chain through:

- Short-loop recycling, enabling direct remanufacturing of magnets with a very low carbon footprint; and
- Long-loop recycling, producing rare earth oxides and carbonates for broader applications.

Mkango GmbH owns the Bitterfeld Plant, which recycles end-of-life rare earth magnets via a melting process (medium loop recycling).

In addition, Mkango owns the advanced-stage Songwe Hill Project in Malawi through MKAR as well as the Pulawy rare earths separation project in Poland through its subsidiary, Mkango Polska. These assets provide longer-term growth and optionality related to primary rare earth development and downstream processing in Europe.

Mkango has entered into a Business Combination Agreement to list its mining asset holding company, MKAR, on the Nasdaq via a SEC Form F-4 filing. This transaction aims to secure U.S. capital to advance the Songwe and Pulawy projects, allowing Mkango to focus on scaling its magnet manufacturing and recycling operations.

2.1 HyProMag UK

2.1.1 Recent Developments

During Q1 2026, 4.1 tonnes of NdFeB powder were produced by HyProMag UK. To date the equivalent of 9.2 tonnes of oxidised recycled NdFeB alloy powder have been produced and 7.4 tonnes of that production have been shipped to customers. Initial commercial production is based on 20% capacity utilisation, equivalent to a minimum of 20-25 tpa NdFeB. The main priorities for HyProMag UK and HyProMag Germany are currently the scale-up of operations and completion of commissioning, respectively, in parallel with customer engagement for magnet sales. Production and sales of NdFeB powder will also continue in parallel, with the quantities subject to equipment availability, optimisation and maintenance during this start-up phase of operations, and subject to internal NdFeB powder requirements for magnet manufacture.

On 9 March 2026, a second automated HDD pre-processing Inserma unit at Tyseley was commissioned, enabling rapid separation of magnet assemblies and significantly increasing potential feedstock volumes. This development reflects a move into industrial optimisation and upstream integration, improving economics and supporting the transition from early commercial production toward scaled operations.

In January 2026, Mkango announced the official launch of the Tyseley Plant. The Tyseley Plant has enabled the first commercial rare earth magnet production in the UK in 25 years.

The Company is evaluating phased expansion to start in 2027, firstly to 100-350 tonnes of NdFeB alloys and magnets per year and then to 1,000 tonnes per year.

Very strong interest in the HyProMag UK short loop recycled magnets has been evidenced with magnet samples having been provided to over 20 potential customers, and magnet qualification processes and offtake discussions expected to accelerate once the commercial scale magnet equipment at the Tyseley Plant is fully commissioned.

2.1.2 Company Development

HyProMag UK was founded in 2018 by the late Professor Emeritus Rex Harris, former Head of the Magnetic Materials Group (MMG) within the School of Metallurgy and Materials at the University of Birmingham (UoB), Professor Allan Walton, current Head of the MMG, and two Honorary Fellows, Dr John Speight and Mr David Kennedy, leading world experts in the field of rare earth magnetic materials, alloys and hydrogen technology, with significant industry experience.

The HPMS process for extracting and demagnetising NdFeB alloy powders from magnets embedded in scrap and redundant equipment was originally developed within the MMG and subsequently licensed to HyProMag UK with a royalty of up to 1.5% payable to the UoB. The MMG has been active in the field of rare earth alloys and processing of permanent magnets using hydrogen for over 40 years. Originated by Professor Harris, the hydrogen decrepitation method, which is used to reduce NdFeB alloys to a powder, is now employed in worldwide magnet processing. A video from the Birmingham Centre for Strategic Elements and Critical Materials featuring the patented HPMS technology, developed by the MMG and exclusively licensed to HyProMag, is available online.³

The Tyseley Plant was funded by “Driving the Electric Revolution”, an Industrial Strategy Fund challenge delivered by UK Research and Innovation. HyProMag UK is the primary industrial user and operator of the plant and is the exclusive licensee for the underlying HPMS technology now being commercialised by HyProMag. In July 2025, Mkango announced the first production runs for the commercial scale HPMS vessel at the Tyseley Plant.

2.1.3 Research and Development

HyProMag UK has participated in several government and Horizon Europe-funded projects focused on rare earth magnet recovery, extraction and recycling, including RaRE, Rare-Earth Extraction from Audio Products, SCREAM, CLIMATES and REEmelt.

Its current project portfolio includes iBot4CRMs, a 48-month Horizon Europe project that commenced in December 2024 and involves 18 partners. The project focuses on automation and robotics to improve the recovery of critical raw materials, particularly NdFeB magnets, from waste streams. HyProMag UK will work with Volt to recover magnets from electric motors and produce new magnets containing more than 95% recycled material for testing in vehicles. The project has total costs of €9.5 million, with €283,000 attributable to HyProMag UK, of which €198,000 is Horizon Europe funded.

³ <https://f.io/5D2MmYzd>

REACT UK is a three-year project commencing in April 2026, led by HyProMag UK, to establish a fully circular UK supply chain for NdFeB magnets used in the automotive sector. The project brings together HyProMag UK, Mkango UK, EMR, Jaguar Land Rover, Less Common Metals and the University of Birmingham.

The project will use HPMS technology to recover magnets from automotive components, combine multiple recycling processes to manufacture new magnets, and incorporate grain boundary diffusion technology before testing the recycled magnets in Jaguar Land Rover traction motors.

The project has total costs of £6.5 million, of which £3.2 million (49%) is funded by the UK Government. HyProMag UK's share is £3.2 million, including £1.5 million of grant funding, with the remaining £1.7 million funded by HyProMag UK over the three-year period. Grant funding is recoverable as qualifying expenditure is incurred, and HyProMag UK is not required to incur the expenditure.

PULSE is a £11 million UK Government-supported project running from 2024 to 2027, led by in-wheel motor manufacturer Protean and involving several industry and academic partners.

The project aims to develop the first in-wheel motor using recycled rare earth magnets, with HyProMag UK contributing its HPMS technology and magnet manufacturing capabilities. HyProMag UK will receive £43,000 in grant funding for its participation.

HyProMag UK was also successful in a second grant funding opportunity facilitated by the APC, which is designed to support detailed feasibility studies into the deployment of UK based manufacturing facilities for zero emission vehicle technologies, and which is supporting the evaluation of a scale-up of operations to 1,000 tpa at Tyseley described at Section 1.1.1, for which WSP UK Limited has been engaged.

These grant funded projects have facilitated the transition to commercial production, enabling product testing across a range of applications, while broadening potential customer engagement and enhancing financial flexibility.

2.2 HyProMag Germany

2.2.1 Recent Developments

First commissioning runs of the HPMS vessel were successfully completed, with sequential commissioning of other major equipment underway, as announced on 9 April 2026. HyProMag Germany continues to be in discussion with both scrap providers and customers seeking magnets and powder.

On 28 April 2026 Mkango announced that its subsidiary, HyProMag Germany, had officially opened its rare earth magnet recycling and manufacturing plant in Pforzheim. The opening ceremony was presided over by Stefan Rouenhoff, Parliamentary State Secretary of the Federal Ministry for Economic Affairs and Energy. On 27 April 2026, the bilateral Germany-UK Business Government Forum took place at the Haus der Deutschen Wirtschaft in Berlin. Katherina Reiche, Federal Minister for Economic Affairs and Energy of Germany and The Right Honourable Peter Kyle MP, Secretary of State for Business and Trade for the United Kingdom signed a Joint Statement on cooperation on Critical Raw Materials.

Strong progress has been made with the ongoing commissioning of the plant during the first half of 2026 with the HPMS vessel, jet mill, transverse and axial presses all commissioned, and the first pressed NdFeB magnet blocks produced from both the presses. The rest of the equipment is targeted for commissioning in the coming months.

HyProMag featured explicitly in the declaration, as a practical demonstration of both nations' commitment to diversifying supply chains, and in supporting resilient, sustainable, and responsible raw material value chains to enhance interlinkages and business collaborations. The joint declaration specifically noted HyProMag's expansion of its rare earth magnet recycling facilities to Germany and marks a major step in the de-risking of mutual supply chains, along with supporting the resilience of key industries such as automotive, as the transition to electric vehicles takes increasing effect.

2.2.2 Company Development

In November 2021, HyProMag UK established an 80%-owned subsidiary, HyProMag Germany, to enable expansion into Germany and Europe. HyProMag Germany is 20% owned (10% following conversion of the German Convertible Loan, as defined below) by Professor Carlo Burkhardt of Pforzheim University, coordinator of the €14 million (\$15.5 million) SusMagPro

(www.susmagpro.eu) and €13 million (\$14.4 million) REEsilience (www.reesilience.eu) EU funded recycling projects, with approximately 40 partners across the European supply chain.

HyProMag Germany is progressing toward establishing a European manufacturing hub for recycled rare earth magnets. The Pforzheim Plant consists of a commercial scale rare earth sintered magnet recycling and manufacturing line, underpinned by the patented HPMS technology.

On 23 November 2022, the Company announced that HyProMag Germany had been awarded grants totalling €3.7 million (\$4.1 million) for a new project, entitled “Innovation Centre for Science & Economy Northern Black Forest IZWW”, comprising a €2.5 million (\$2.8 million) grant from the European Regional Development Fund (ERDF) and a €1.2 million (\$1.3 million) grant from the Ministry of Economic Affairs, Labour and Tourism Baden-Württemberg.

Maginito has entered into a convertible loan with HyProMag Germany. Under the terms of the German Convertible Loan, Maginito has granted HyProMag Germany a loan facility for €2.5 million (\$2.8 million) available to be drawn down in accordance with an agreed investment plan and convertible into a 50% interest in HyProMag Germany. This investment by Maginito into HyProMag Germany will contribute to the match funding requirements to unlock the abovementioned grant.

Once fully commissioned, the HyProMag Germany plant at Pforzheim (the “Pforzheim Plant”) will have a minimum initial capacity of approximately 100 tpa of NdFeB, increasing to up to circa 350 tpa. A further scale-up to 750 tpa is currently under evaluation and HyProMag Germany is targeting a phased scale-up to this production level over the next three years.

HyProMag Germany has successfully received its required operating and environmental approvals, including approval under the 4th Federal Immission Control Ordinance (4. BImSchV), building permit and change-of-use approval for magnet production capacity of up to 750 tonnes per year.

2.2.2.1 The REEsilience Project

HyProMag Germany was initially awarded approximately €550,000 in Horizon Europe funding in 2022 under the REEsilience project. Following a project amendment in 2025, its scope was expanded through the transfer of additional work packages and a processing asset, increasing the total project value attributable to HyProMag Germany to €1,506,919, of which €1,054,844 is funded.

The REEsilience project aims to establish a sustainable and resilient European rare earth magnet supply chain, with a focus on recycling and reducing reliance on imports. HyProMag Germany contributes its HPMS technology to the recycling of end-of-life NdFeB magnets and optimisation of short-loop recycling processes. The project is due to conclude on 31 December 2026.

2.2.2.2 The GREENE Project (Single Grain Re- Engineering Nd-Fe-B Permanent Magnets, “GREENE”)

HyProMag Germany is participating in the €8 million Horizon Europe-funded GREENE project, receiving €350,125 in funding, of which €169,215 has been received to date. The four-year project commenced in 2024 and involves 15 industry and academic partners.

GREENE aims to reduce rare earth content in permanent magnets while improving performance, as well as increasing resource efficiency, reducing environmental impact and promoting the use of recycled materials. HyProMag Germany contributes its HPMS technology to the project.

2.3 HyProMag USA

2.3.1 Recent Developments

In December 2025, HyProMag USA finalised the lease for 50% of Building 1 Ironhead Commerce Center, approximately 125,000 square feet, to house the proposed Texas Hub. The facility is strategically located next to critical infrastructure, the BNSF intermodal rail link and the Alliance Airport. The facility is a new build.

On June 3, 2026, HyProMag USA took occupation, with the lease now fully in effect, and has begun establishing an operational presence at the site, including installation of communications infrastructure, security systems and other foundational requirements to support project execution activities.

The Company is evaluating the further expansion of the project through the placement of two additional HPMS recycling and magnet manufacturing facilities in South Carolina and Nevada respectively to triple the capacity of HyProMag USA.

During the third quarter 2025, HyProMag USA entered a feedstock supply and pre-processing site share agreement with global electronics recycling company, ILS. In terms of the agreement, the Project's preprocessing facilities will be based on the ILS sites in South Carolina and Nevada and ILS will provide hard disk drive ("HDD") feedstock to HyProMag USA. During the fourth quarter 2025, this arrangement was extended to bulk NdFeB feedstock including rotors from electric motors, wind turbine magnets, speakers and MRI machines. A joint Technical Procurement team was set up between ILS and HyProMag USA to oversee the procurement process and four full-time staff members were added to the ILS procurement team to support the stockpiling initiative. Stockpiling of end-of-life electronic scrap has commenced and to date, ILS has engaged with several potential suppliers to establish consistent feed of magnet scrap.

HyProMag USA is also pursuing other feedstock supply opportunities in the U.S. HyProMag USA has purchased three Inserma machines for pre-processing of the end-of-life electronic scrap material. The three Inserma "3rd generation" HDD magnet separation systems have been installed at the ILS pre-processing sites in Williston, South Carolina and Las Vegas, Nevada, with additional machine upgrades underway, including HDD recognition and traceability functions.

In June 2026, the Company commenced procurement of critical-path long-lead equipment, including the HPMS vessels and magnet processing and finishing equipment, relating to the HyProMag USA project to secure the development schedule for the Texas Hub, the commissioning of which is now planned on a phased basis, with magnet finishing operations targeted for H1 2027 and the integrated HPMS section targeted for Q2 2028. The initial finished magnet production line will be utilising up to 20 tonnes of magnet blocks supplied by HyProMag Group operations in the United Kingdom and Germany. The HPMS section and integrated magnet manufacturing will target initial annual production of approximately 400 metric tonnes of recycled sintered NdFeB magnets and approximately 278 metric tonnes of NdFeB co-products, ramping up in stages to the full targeted annual capacity of approximately 1,526 metric tonnes of magnetic products. HyProMag USA has also initiated formal discussions with Oncor Electric Delivery Company LLC to provide power to the Texas Hub.

Engagement with potential offtake customers is ongoing and, together with HyProMag Group, HyProMag USA is providing magnet samples to potential customers for product verification and qualification purposes. HyProMag USA also engaged a leading global executive search and consulting firm to identify a U.S.-based CEO and CFO to support a potential future public listing and the continued rollout of the business.

2024 Bankable Feasibility Study and 2026 Update

The HyProMag USA independent Feasibility Study ("Feasibility Study") was completed by BBA, PegasusTSI and Weston during November 2024. The study is based on three pre-processing plants - Nevada, South Carolina and Texas - and one end-to-end recycling and neodymium iron boron ("NdFeB") magnet production facility in Texas ("Texas Hub"). The results of the Feasibility Study and the 2026 Update are summarised below:

	<u>Feasibility Study 2024</u>	<u>Update Q2 2026</u>
HPMS vessels	2	3
Target annual production		
- NdFeB magnets	750 metric tons per annum	1,048 metric tons per annum
- NdFeB co-products	291 metric tons per annum	478 metric tons per annum
NPV7% based on prevailing market price – post tax	US\$262 million	US\$416 million
Real IRR based on prevailing market price	23%	26.36%
NPV7% based on forecast	US\$503 million	US\$797 million

pricing – post tax		
Real IRR based on forecast pricing	31%	37.1%
Operating life	40 years	40 years
Average market price (Forecast)	US\$94 per kilogram	US\$82 per kilogram
All-in sustaining cost (Forecast)	US\$31.86 per kilogram	US\$33.69 per kilogram
Capital cost	US\$125 million	US\$152 million

Following further detailed engineering, HyProMag USA announced increased projected magnet production capacity of approximately 1,048 metric tons per annum of recycled sintered NdFeB magnets and 478 metric tons per annum of NdFeB co-products (total payable capacity of 1,526 metric tons per annum) over a 40year operating life. On this basis, the post-tax NPV is approximately US\$797 million with a real IRR of 37.1% based on forecast market prices, and approximately US\$416 million with a real IRR of 26.3% based on current market prices. The payback at current market prices in 3.1 years and 2.2 years at forecast market prices.

A key aspect of the Update focused on maximising production of magnet products with 3 HPMS reactors and increased the up-front capital cost from US\$125 million to US\$152 million (inclusive of an 8.2% contingency margin and Class 2 AACE estimated detailed design study and engineering costs) over a one year construction phase.

2.3.2 Company Development

On 2 January 2024, Maginito, via its 100% owned subsidiary, HyProMag UK and CoTec formed a 50/50 joint venture company, HyProMag USA, to roll-out HPMS technology into the United States, with CoTec responsible for funding the US Feasibility Study and development costs, subject to the results of the US Feasibility Study, which is now complete.

Sintered NdFeB magnets will be produced in the United States using materials sourced in the United States, contributing to security of NdFeB permanent magnet supply and enabling economical, traceable, domestic U.S. production of recycled NdFeB magnets (DFARS compliant) supporting the defence, aerospace, automotive, medical science, hyperscale data centres, robotics, and energy transition industries.

The November 2024 U.S. Feasibility Study was updated on 15 December 2025, as described at Section 2.3.1. In parallel, HyProMag USA commenced a strategic review to evaluate a potential separate listing of the shares of HyProMag USA in the U.S., subject to successful execution of the Texas Hub and meeting the required regulatory approvals.

On 22 April 2025, HyProMag USA appointed lead engineers PegasusTSI and BBA to perform EPCM services for HyProMag USA to produce rare earth magnets in the United States.

On 12 June 2025, HyProMag USA received a Make More in America (MMIA) domestic finance letter of interest (LOI) from the U.S. Export-Import (“EXIM”) Bank for its first integrated rare earth recycling and magnet making facility in Dallas-Fort Worth, Texas. In terms of the letter, EXIM may consider potential financing of up to \$92 million of the project’s costs with a repayment tenor of 10 years. The issuance of this letter of interest is aligned with Executive Order 14241 of 20 March 2025, “Immediate Measures to Increase American Mineral Production”, which includes near-term actions to be determined and implemented by the agencies to fast-track permits, mobilise capital for mineral producers, and create offtake agreements for strategic stockpiling for minerals critical to the United States’ defence, technology, and energy.

On 24 July 2025, HyProMag USA and ILS entered into a feedstock supply and pre-processing site share agreement. ILS, which is fully compliant with ISO 14001:2015, ISO 45001:2018 and “Responsible Recycling R2v3 Recycler” at its USA locations, will secure and store NdFeB feedstock from HDDs and other sources at its pre-processing sites in South Carolina and Nevada in advance of the commissioning of HyProMag USA’s Texas Hub facility. ILS will utilise the Inserma 3rd generation HDD magnet separation

system at its pre-processing sites. An exclusive agreement was signed between HyProMag UK and Inserma in September 2024, and the Inserma technology is being rolled out across multiple jurisdictions. The 3rd generation Inserma units provide fast, efficient magnet separation from HDDs for HPMS processing, together with clean separation of the PCB for immediate resale to 3rd parties. HyProMag USA is targeting HDD recycling geared to the growth of hyperscale data centres, which is expected to accelerate significantly in coming years. Through ILS, HyProMag USA will provide full traceability on its products to support the 'closed loop' circular economy and critical mineral supply chains within the United States.

On 26 August 2025, it was announced that ILS had formally commenced its stockpiling of feedstock initiative pursuant to the feedstock supply and pre-processing site share agreement. Pre-processing of the feedstock had commenced by the end of 2025.

On 4 September 2025, PegasusTSI and BBA were engaged to complete the HyProMag USA expansion concept study for new rare earth permanent magnet recycling plants in Nevada and South Carolina in collaboration with ILS. The expansions envisaged by the Concept Study would be completed concurrently with the phased expansion of the first HyProMag USA facility at the Texas Hub to optimise the "hub and spoke" configuration for rare earth magnet production and production of HPMS recycled NdFeB alloy powder.

On 30 September 2025, HyProMag USA purchased three skid-mounted Inserma magnet and PCB separation units. These units rapidly remove (at <2 seconds per HDD) the VCM containing the rare earth magnet, providing a highly concentrated feed for subsequent HPMS by HyProMag USA at the Texas Hub. The technology package will further complete the separation and removal of the PCBs, which contains precious metals, for recycling and sale. The three units are located and operated by ILS as it continues stockpiling of feedstock for the Dallas-Fort Worth facility.

2.4 Mkango Rare Earths UK Limited ("Mkango UK")

Mkango UK has commissioned a long-loop recycling pilot plant at Tyseley, which processes NdFeB magnet scrap or swarf to produce separated magnet rare earths, being neodymium/praseodymium and dysprosium/terbium carbonates or oxides, via a chemical route. The long-loop route is required because part of the HPMS product is not suitable for short-loop magnet manufacture, and all swarf produced by HyProMag UK requires long-loop chemical processing.

This complements the short-loop recycling plant commissioned by HyProMag UK and the UoB also at Tyseley, which processes NdFeB magnet scrap to produce rare earth alloys and magnets.

Mkango's long-loop recycling pilot activities progressed from early validation work into more structured process optimisation and scale-up preparation. From mid-2025, focus shifted toward long-loop feedstock validation, particularly mixed and lower-grade NdFeB scrap streams that require more complex separation and pre-treatment prior to hydrogen processing. During this period iterative pilot campaigns to test yield recovery, impurity tolerance, and alloy quality consistency across broader scrap inputs were conducted.

Both long-loop and short-loop recycling technologies are underpinned by the patented HPMS technology developed at the UoB, which liberates magnets from end-of-life scrap streams in a cost effective and energy efficient way to produce a recycled NdFeB alloy powder, which is manufactured into a magnet (via the short-loop process) or into a rare earth carbonate or oxide (via the long-loop chemical process).

The long-loop pilot plant received 70% of its funding from the UKRI's Driving the Electric Revolution Challenge, delivered by Innovate UK, as part of the grant-funded project, SCREAM. Project partners include HyProMag UK, Bowers & Wilkins, EMR, GKN Automotive, Jaguar Land Rover, and the UoB. Mkango UK is also a partner in REACT UK, the DRIVE35-funded project announced on 14 April 2026 and described at Section 2.1.3, under which Mkango UK's share of the project cost is £2.3 million, of which £1.1 million is grant funded; the balance of £1.2 million is to be funded by Mkango UK over the three-year term of the project.

2.5 Rare Earth Mining – Malawi

Mkango, through its 100% subsidiary MKAR, has a mining development property in the Republic of Malawi, called the Songwe Hill Rare Earths Project held within its Phalombe retention licences (the "Phalombe Licences"). In June 2021, the Phalombe Licence was converted into a block of 11 retention licences covering a total of approximately 250 square km, each for a five-year term. MKAR has applied to the Malawi Mining Regulatory Authority (the "MMRA") for a large-scale mining licence covering an area within the previously held retention licences (the "Phalombe Licences"). The MMRA has issued a notice to the Company confirming that the four Phalombe Licences will remain in good standing until the mining licence is processed and formally

issued, notwithstanding the expiry of those licences on 30 May 2026. On grant of the mining licence, those four retention licences will be superseded by that licence.

The table below splits out the mineral project expenditure into more detail for the six months ended 30 June 2026 and 30 June 2025.

Licence/Capital Project	Project	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Phalombe	Songwe Hill Project		
	Metallurgy expenses	-	4,579
	Government fees	-	-
	ESHIA (1)	-	1,661
	Technical studies	-	-
	Storage fees	14,084	2,575
	Malawi office and camp expenses	64,155	43,568
Phalombe total		78,239	52,382
Pulawy Project	Consulting fees	-	-
Thambani	Mineral project expenditures	844	703
Total mineral project and research and development expenses		79,083	53,086

(1) Environmental Social Health Impact Assessment and Corporate Social Responsibility expenditures.

Exploration and evaluation expenditure is recognised in the consolidated statement of comprehensive loss as mineral project expenditures. Following the completion of the original definitive feasibility study for Songwe Hill on 5 July 2022, exploration and evaluation expenditure for Songwe Hill is being capitalised in accordance with IFRS 6 and the Company's accounting policies.

2.5.1 Songwe Hill Project

2.5.1.1 Recent Developments

MKAR and CPTK have signed a BCA to form a global, vertically integrated rare earth company with a focus on supplying mined, refined and separated rare earth oxides to markets across North America, Europe and Asia.

The Proposed Business Combination attributes to MKAR (which excludes Mkango's recycling businesses) an equity value of \$400 million, prior to transaction expenses and excluding any potential proceeds from private investment in public equity (PIPE) financing or the CPTK trust account.

The transaction is expected to provide a strong financial platform to accelerate the development of Mkango's key growth assets, including Songwe Hill in Malawi and the Pulawy separation project in Poland.

On 20 May 2026, MKAR filed publicly a registration statement on Form F-4 with the SEC. The filing was made in connection with the previously disclosed proposed business combination contemplated by the BCA, as amended on 13 February 2026 and 20 May 2026. The Form F-4 includes a proxy statement for the meeting of CPTK shareholders and a prospectus relating to MKAR's common shares and warrants. The Proposed Business Combination was initially announced on 2 July 2025. The filing of the Form F-4 by MKAR with the SEC marks an important milestone toward the expected completion of the Proposed Business Combination. Subject to the completion of the SEC review process and satisfaction of customary closing conditions, including approval by the shareholders of CPTK, MKAR's common shares and warrants are expected to be listed on the Nasdaq Stock Market under the symbols "MKAR" and "MKARW", respectively, upon the closing of the transaction.

2.5.1.2 Background

The Phalombe Licences are located in southeast Malawi, within which Songwe Hill is the main development target. Featuring carbonatite hosted rare earth mineralisation, Songwe Hill was subject to historical exploration programmes during the late 1980s. MKAR was awarded the licence by the Malawi government on 21 January 2010 and has subsequently renewed it, with the most recent renewal on 1 June 2021 when the Phalombe Licence was transferred into 11 retention licences covering a total of 250 square km. Each retention licence is for a five-year period from 1 June 2021. Four of the Phalombe retention licences are currently being transferred into a Mining Licence.

2.5.1.3 Exploration

Mkango has been exploring and evaluating Songwe Hill since January 2010. Following confirmation of the previously investigated enriched zones, exploration focused on identifying the nature and extent of the rare earth mineralised carbonatites and related rocks. Mkango's early exploration activities consisted of litho-geochemical sampling, soil sampling, channel sampling, geological mapping, ground magnetic, density and radiometric surveys, and petrographic/mineralogical analyses, followed by significant diamond drilling to support metallurgical testing and the resource estimate.

2.5.1.4 Project Development

In 2018, Mkango commenced the definitive feasibility study, the initial phases of which comprised an extensive diamond drilling programme, metallurgical optimisation and work in relation to the then ongoing environmental, social and health impact assessment (ESHIA), which has since been completed in accordance with IFC Performance Standards and Equator Principles. Whilst that study was completed and announced in July 2022, it has been revised in 2026 as part of the Nasdaq listing process.

On 4 February 2019, Mkango announced a Mineral Resource estimate for Songwe Hill: 8 Mt grading 1.50% total rare earth oxides (TREO) in the Measured Mineral Resource category, 12.2 Mt grading 1.35% TREO in the Indicated category and 27.5 Mt grading 1.33% TREO in the Inferred Mineral Resource category, applying a base case cut-off grade of 1.0% TREO. That estimate has been superseded. The updated Mineral Resource estimate supporting the Songwe DFS has an effective date of 30 June 2025 and is reported from within an optimised pit shell above a cut-off grade of 0.55% TREO. Inclusive Mineral Resources are presented below, consistent with the basis on which the Company has previously reported Mineral Resources:

Category	Tonnes (Mt)	TREO (%)	Contained TREO (kt)
Measured	13.6	1.27	173
Indicated	24.4	1.08	264
Total Measured and Indicated	38.1	1.15	437
Inferred	55.9	1.05	589

The change in reported tonnage and grade compared with the 2019 estimate reflects the revised cut-off grade and updated pit optimisation assumptions; no additional drilling has been completed since 2018 and the geological block model is unchanged. Mineral Resources are inclusive of the portion converted to Mineral Reserves, and Mineral Resources that are not Mineral Reserves have no demonstrated economic viability. Mineral Resources are reported inclusive of Mineral Reserves, consistent with the basis on which Songwe Hill's Mineral Resources have been reported to date. Mineral Reserves are stated on a plant feed basis inclusive of dilution and mining losses, whereas Mineral Resources are stated in situ, so the two are not directly comparable. Mineral Resources have been classified in accordance with the CIM Definition Standards for Mineral Resources and Mineral Reserves (2014), as incorporated by reference in NI 43-101, and are reported on an in-situ basis without applying modifying factors. For the purposes of assessing reasonable prospects for eventual economic extraction and cut-off grade, metallurgical recoveries were applied to individual rare earth oxides, the average TREO metallurgical recovery being 39.6%. Totals may not add due to rounding.

The Songwe DFS supports the declaration of a Proven and Probable Mineral Reserve for Songwe Hill, estimated as at 30 April 2025 at a cut-off grade of 0.6% TREO:

Category	Tonnage (Mt)	TREO (%)	Contained TREO (t)
Proven	8.160	1.28	104,183
Probable	9.988	1.07	106,801
Total	18.147	1.16	210,984

Mineral Reserves are stated as tonnages and grades delivered to the processing plant and are inclusive of dilution and mining losses expected during mining. The Mineral Reserve estimate is reported on a 100% ownership basis. A weighted average process recovery to carbonate of 40% was used to calculate revenue from Mineral Reserves. Totals may not add due to rounding.

The Songwe DFS on the Songwe Hill Rare Earth Element Project in Malawi was prepared by SENET, a DRA Global Group Company, is dated 29 April 2026, has an effective date of 30 June 2025 and was filed on SEDAR+ on 1 May 2026.

The scientific and technical information in this MD&A relating to the Songwe Hill Project is derived from the Songwe DFS, which was reviewed and approved by the following qualified persons, each as defined in NI 43-101 and each independent of Mkango: Mr Philemon Bundo of SENET (definitive feasibility study overall, metallurgical test work, and process design and cost estimation); Mr Jeremy Charles Witley, Pr.Sci.Nat., of The MSA Group (Pty) Ltd (geology, the Mineral Resource estimate and geotechnical investigation); Dr Scott Swinden, P.Geo., of Swinden Geoscience Consultants Ltd (sampling, analytical and test data, and data verification); Mr Clive Wyndham Brown, Pr Eng, of Bara Consulting (Pty) Ltd (the Mineral Reserve estimate); Mr Guy John Wiid of Epoch Resources (Pty) Ltd (the tailings storage facility); Mr Graham Errol Trusler, Pr Eng, of Digby Wells Environmental (the environmental, social and health impact assessment); and Mr Darren L. Smith, M.Sc., P.Geo., of Dahrouge Geological Consulting Ltd (rare earth market analysis).

On 26 January 2023, the Malawi Environmental Protection Agency (“MEPA”) approved the ESHIA, completed to International Finance Corporation Performance Standards on Environmental and Social Sustainability, for the Songwe Hill Project. In late July 2024, MKAR and Mkango Rare Earths Malawi Limited (“MKAR Malawi”), direct and indirect 100% owned subsidiaries of Mkango, and the Government of Malawi signed the MDA for the Songwe Hill Project.

The Mineral Reserve, Mineral Resource and economic estimates in this MD&A are presented on a 100% project basis and are not adjusted to reflect the Government of Malawi’s 10% interest or the royalty payable under the MDA.

A large-scale mining licence, if granted, would be for a term of 25 years, renewable for a further 15 years if the life of operations for the project is extended.

On 21 August 2024, EIT RawMaterials provided funding of €200,000 (\$255,798) which funded the commencement of process optimisation for the Songwe Hill Project, a future source of mixed rare earth carbonate (MREC) feed for the Pulawy Project.

On 4 June 2025, Songwe Hill was designated as a Strategic Project by the European Commission under the CRMA.

On 29 September 2025, Mkango announced that MKAR had entered into a Project Development Funding Agreement with the DFC, the U.S. government’s development finance institution, to secure \$4.6 million in reimbursable funding for Songwe. The funds are expected to support project development activities in the form of FEED and value engineering studies, and are to be equally matched by MKAR contributions over 18 months. Disbursement is subject to the achievement of specified performance milestones and the satisfaction of related conditions, including the delivery and approval of certain project development deliverables, and there is no assurance that the full amount will be drawn. Repayment to the DFC is required only if, within ten years of execution, MKAR obtains financing sufficient to initiate construction or other material implementation of the project. For five years following termination of the agreement, the DFC retains the right, but not the obligation, to provide or arrange financing for the project on commercial terms substantially comparable to or better than those otherwise available.

Material assumptions - Songwe Hill. From the Songwe DFS announced 19 March 2026: post-tax NPV of approximately US\$339 million at a 10% nominal discount rate (7.3% real), IRR of 24.32%, payback of 3.4 years from start of full production and life-of-operations nominal cash flow of US\$1.55 billion; applying Adamas Intelligence upside pricing, a post-tax NPV of approximately US\$489 million, a nominal IRR of 29.3%, a payback period of 2.9 years from start of full production and a post-tax life-of-operations nominal cash flow of US\$2.04 billion; initial capital cost of approximately US\$325.5 million including US\$27.8 million of contingency (US\$297.8 million excluding contingency), sustaining capital of approximately US\$91.5 million over the life of operations, and operating costs averaging US\$22.3 per kg TREO over the first five years and US\$26.1 per kg TREO over the life of operations, principally in respect of the tailings storage facility, in each case for the mine, mill, flotation and hydrometallurgical plants, the tailings storage facility and infrastructure including a 24.4 MW solar facility; the initial capital cost estimate prepared as an AACE Class 2 estimate under Recommended Practice 47R-11 to an accuracy of plus or minus 10%, with operating costs estimated to the same accuracy; free cash flows modelled in real and nominal terms across a range of discount rates on a debt-free basis; Adamas Intelligence base case (Q4 2025) pricing, with neodymium and praseodymium the key revenue drivers and a base case TREO basket price of US\$28.40 per kg in 2025 rising to US\$69.60 per kg in 2034 (an upside case of US\$28.91 rising to US\$79.39 per kg was also modelled); a purified MREC product; an annual processing capacity of approximately 1.0 Mt of ore, producing an average of 5,954 tonnes of TREO in MREC per annum over the first five years and 4,081 tonnes per annum in years 6 to 18, in a MREC grading 55% TREO (dry basis), over an operating life of 18 years; the July 2024 Mine Development Agreement terms, comprising a 5% royalty on gross mine-gate revenue net of post-mine-gate costs, 30% corporate tax rate, 10% non-diluting government equity interest, capital-goods duty exemptions, a 10-year stability period commencing on grant of the

mining licence and a 10-year loss carry-forward; an ESHIA prepared to IFC Performance Standards; and the Global Industry Standard on Tailings Management (2020) for the tailings storage facility.

2.6 Rare Earth Separation - Poland

On 7 June 2021, the Company announced that Mkango and Grupa Azoty Zakłady Azotowe Pulawy S.A. (“Grupa Azoty PULAWY”) had agreed to work together towards development of the Pulawy Project in Poland. The Pulawy Project will process the purified MREC derived from the Songwe Hill Project into separated rare earth oxides.

Mkango Polska was acquired to hold the Company’s Polish interests and is headed by a highly experienced Country Director for Poland, Dr Jarosław Pączek, together with rare earth separation experts, Carester, and a strong team of technical advisors and engineers. Grupa Azoty PULAWY (Warsaw Stock Exchange: ZAP) is part of the Grupa Azoty Group, the European Union’s second largest manufacturer of nitrogen and compound fertilisers, and a major chemicals producer. Its products are exported to over 20 countries around the world, including Europe, the Americas and Asia.

Mkango Polska and Grupa Azoty PULAWY have entered into an exclusive lease option agreement (the “Lease Option Agreement”) for a site adjacent to Grupa Azoty PULAWY’s large scale fertiliser and chemicals complex at Pulawy, which provides excellent infrastructure, access to reagents and utilities on site, and an attractive operating environment, resulting in a highly competitive operating cost position for the Pulawy Project, based on scoping studies to date. On 17 February 2025, the Lease Option Agreement was extended. The underlying lease under the Lease Option Agreement, under which Grupa Azoty PULAWY is lessor and Mkango Polska is lessee, became effective on 31 January 2025 and expires on 31 January 2055. The lease will terminate if any of the following occurs before 31 December 2030: a feasibility study shows that the Pulawy Project is not economically viable; financing for construction is not secured, or financing institutions raise objections to Mkango Polska’s legal title to the leased property; an environmental assessment or technical connection assessment shows that the plant cannot be constructed or operated; Mkango Polska fails to obtain the decision on environmental conditions required under Polish law; or the parties fail to enter into the supply agreements with Grupa Azoty PULAWY for reagents, utilities and services, and the cooperation agreement governing the access road and connecting infrastructure.

The lease is conditional on the Company, as sole shareholder of Mkango Polska, granting Grupa Azoty PULAWY a guarantee of Mkango Polska’s obligations under the lease, the supply agreements and the cooperation agreement. The guarantee has not been granted, and its scope, duration and amount remain to be agreed with Grupa Azoty PULAWY and are intended to reflect the terms of those agreements and of the financing of the Pulawy Project. The Company is not obliged to grant the guarantee, but a failure to do so before 31 December 2030 would give rise to a termination event under the lease.

Located within a Polish Special Economic Zone, the site provides excellent access to European and international markets. Production from the Pulawy Project will strengthen Europe’s security of supply for rare earths used in electric vehicles, wind turbines and other green technology and strategic applications, and aligns with European initiatives to create more robust, diversified supply chains.

Development of the Pulawy Project is expected to bring significant benefits, including:

- Higher value-added products with increased margins. As announced on 7 June 2021, the Pulawy Project was expected initially to produce approximately 2,000 tpa of separated neodymium (Nd)/praseodymium (Pr) oxides, and approximately 50 tpa dysprosium (Dy) and terbium (Tb) oxides in a heavy rare earth enriched carbonate. Those figures reflected initial production on the basis of feed from Songwe Hill alone. They are consistent with the Songwe DFS announced on 19 March 2026, under which Songwe’s production over the first full five years averages 1,953 tpa of neodymium and praseodymium oxides and 56 tpa of dysprosium and terbium oxides; where during the first five years of Songwe’s production, the operation is expected to produce an average of 5,954 tonnes of contained TREO per year in MREC product grading 55% TREO (dry basis). From Year 6 onward, annual production is expected to average 4,081 tonnes of contained TREO
- Greater integration – plant development fully underpinned by sustainably sourced, purified mixed rare earth carbonate from Songwe Hill’s operations, with other synergies being evaluated.
- Increased marketing flexibility with a broader range of potential customers – future opportunities to produce and market separated heavy rare earths.
- Catalyst for regional growth and the green transition – potential for further downstream developments and related businesses, including renewables, creating additional jobs in the region.

- Engagement with financial institutions is underway to accelerate development, and additional strategic partnerships, downstream developments and marketing opportunities are being evaluated.

On 25 March 2025, the Pulawy Project was designated by the European Commission as one of the 47 strategic projects under the CRMA and one of only five focused on rare earth elements.

The pre-feasibility study announced on 19 March 2026 is based on an expanded configuration. The study considered both the original design and an expanded 30,000 t/a mixed rare earth carbonate feed case (45% TREO, wet basis), with NdPr product split options of 0%, 50% and 100% separation. The base case assumes the expanded feed case with 100% separation of NdPr into the individual neodymium and praseodymium constituents, and an initial throughput capacity of 13,430 tpa of REO. Songwe Hill is expected to supply approximately 10,000 tonnes per annum of MREC, which is sufficient for the originally contemplated plant capacity of 15,000 t/a. Under the base case, Songwe Hill is assumed to supply 45% of the feed during the first five years of Pulawy's initial seven-year operation from 2030 to 2036, with the remaining 55% sourced from the market; thereafter market-sourced carbonate is assumed to increase in order to maintain throughput capacity. Under the expanded 30,000 t/a case, substantial additional feedstock would need to be procured from third party suppliers to meet throughput requirements, and there is no assurance that it can be secured on acceptable terms. The economics set out below relate to that expanded 100% NdPr separation case. Life of operations from the first year of full production is 29 years (2030 to 2058).

On 19 March 2026, Mkango announced the results of the updated Feasibility Study for the Songwe Hill Rare Earths Project in Malawi and Pre-Feasibility Results for the Proposed Pulawy Rare Earth Separation Plant in Poland. Pulawy's post-tax NPV is approximately \$779 million, using a 10% nominal discount rate, with an IRR of 39.7%, payback period of 2.12 years from start of full production and a post-tax life-of-operations nominal cash flow of \$4.95 billion. Applying Adamas Intelligence upside pricing, Pulawy's expanded 100% NdPr separation case rises to a post-tax NPV of approximately \$892 million, a nominal IRR of 43.4%, a payback period of 1.89 years from start of full production and a post-tax life-of-operations nominal cash flow of \$5.58 billion.

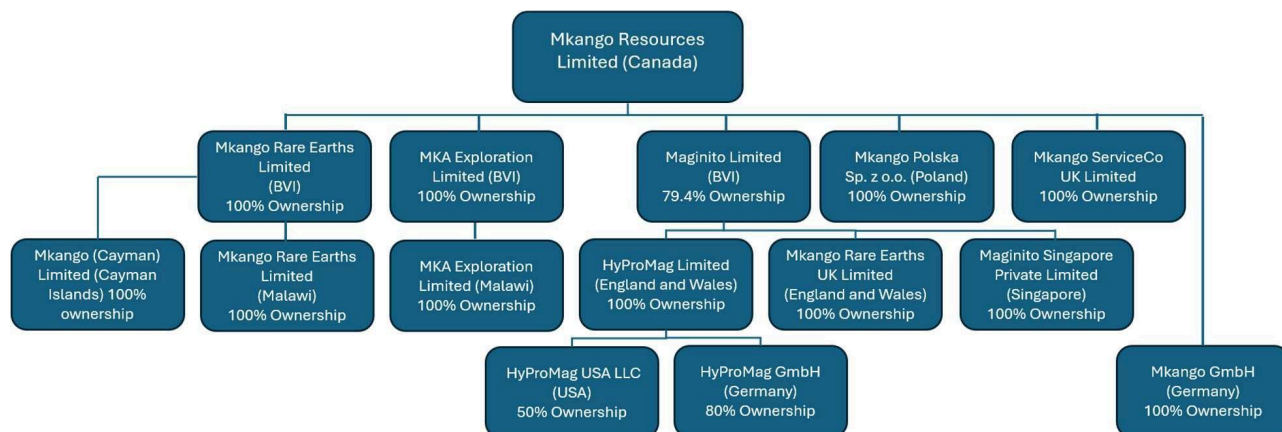
The net present value, internal rate of return, payback period, life-of-operations cash flow, capital cost and separation cost figures disclosed in this section are specified financial measures within the meaning of NI 52-112. See Specified Financial Measures above.

Material assumptions - Pulawy. From the pre-feasibility study prepared by PRODEO Consulting (Pty) Ltd dated 19 March 2026: initial plant capital cost of approximately US\$212 million including US\$35.4 million of contingency; cost estimates base-dated 25 February 2026 with no escalation within the estimate and 2.5% per annum escalation applied in the model; a separation cost of approximately US\$2.14 per kg of TREO in MREC; a 19% Polish corporate tax rate, with EUR 37.5 million of tax relief under the Special Economic Zone scheme; payability assumptions of 100% for neodymium, praseodymium and NdPr oxide, 75% for SEG/heavy rare earth carbonate and 100% for lanthanum-cerium carbonate at US\$2 per kg; Adamas Intelligence base case (Q4 2025) pricing; a feed purchase discount of 15% on the contained REO value of rare earth carbonate purchased from Songwe Hill and 25% on rare earth carbonate sourced from the market; assumed exchange rates of US\$1.00 = EUR 0.85 and EUR 1.00 = PLN 4.22; transport of Songwe MREC from Beira Port to Pulawy at US\$50 per tonne; a by-product credit of EUR 180 per tonne for the ammonium bicarbonate by-product solution; depreciation on a straight-line basis over 20 years from 2029; capital expenditure incurred 25% in 2027 and 75% in 2028; and a milestone schedule assuming an engineering start date of April 2026, procurement start September 2026, construction start April 2027, commissioning start October 2028 and production ramp-up from Q2 2029 ending Q1 2030. The capital and operating cost estimates were prepared to an accuracy of plus or minus 25%, being the level required for an AACE Class 4 estimate. A pre-feasibility study is preliminary in nature and there is no certainty that the results will be realised.

Risks relating to the development of the Pulawy Project, including permitting, feedstock supply, market access and the termination events under the lease described at Section 2.6, are described at Section 5.9. The purchase of Songwe Hill carbonate by Mkango Polska would be a sale to an affiliate and is accordingly subject to arm's length requirements under the MDA and to review by the Government of Malawi, which may object to the terms, require adjustments including additional taxes or royalties, or decline to approve the arrangement.

3 CORPORATE STRUCTURE

The Company is incorporated in the province of British Columbia, Canada. The Company's registered office is Suite 2900, 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 0A3. The Company's current structure as at the date of this report is as follows:⁴



On 19 June 2025, Mkango (Cayman) Limited ("Mkango Cayman") was incorporated to act as a merger subsidiary in the special purpose acquisition company (SPAC) merger transaction. MKAR owns 100% of Mkango Cayman. Minimal transactions had been processed through this company as at 30 June 2026.

On 8 October 2025, Maginito Singapore Private Limited ("Maginito Singapore") was incorporated to procure equipment from Far East vendors.

On 20 May 2026, Mkango announced that it had signed an asset purchase agreement with Heraeus Amloy Technologies GmbH to acquire Heraeus's Remloy rare earth magnet recycling business. The assets will be held by Mkango GmbH, a wholly-owned German subsidiary acquired as an off-the-shelf company, renamed Mkango GmbH. The asset purchase agreement closed on 28 August 2026.

4 SUSTAINABILITY

4.1 Sustainability Governance Architecture

Mkango recognises that sound corporate governance and transparency are expectations of its stakeholders and enable confidence in the credibility of its business conduct. Mkango's Board of Directors (the "Board") is the highest corporate governance body within the Company. The Board's mandate is to oversee the management of the business and affairs of the Company. It delegates responsibility for day-to-day operations – including sustainability management – to the executives and the subsidiaries' management teams.

The Board operates within a framework of charters and standards in line with good corporate governance practice. The Board has established a Sustainability Committee, the primary function of which is to assist the Board in the oversight of Mkango's commitments to work in a socially and environmentally responsible manner, to maintain stakeholder dialogue to ensure social best practice, to ensure workplace safety and health, environmentally sound and responsible resource development, and the protection of human rights. Board committee charters are periodically reviewed, in line with the Company's approach to sound corporate governance, to ensure they reflect evolving corporate needs as well as external developments related to effective management.

The UK facilities utilised by HyProMag UK are additionally managed under a framework of policies and systems established by the UoB at Tyseley.

⁴ HyProMag Germany is shown at 80%, held via HyProMag UK, which is correct as at the date of this report. On conversion of the German Convertible Loan, Maginito's interest in HyProMag Germany will increase to 90%.

4.2 Risk Management Framework

In early 2025, ahead of the expected first commercial production from HyProMag UK, Mkango commenced its first formal materiality assessment to inform on these materiality elements of its activities:

- The risk that Mkango's activities pose to the environment, including the climate; and
- The risks that the environment, including climate change, pose to the Company's activities.
- The outcomes of these processes will inform the development of objectives, key performance indicators specific to the business and any material aspects for future disclosures. The internal components of this materiality assessment are now completed and the Company will periodically update these to reflect business evolution, and in future intends to invite external stakeholder participation.

4.3 Stakeholders and Transparency

The materiality assessment, developed in line with the Global Reporting Initiative and following best practices, will incorporate the involvement of a cross section of key stakeholders – both internal and external. The process, overseen by the Sustainability Committee, is a strategic exercise designed to identify material environmental, social and governance (sustainability) topics for disclosure and ongoing management by the business. The process draws on internal documentary sources and perspectives, as well as international sustainability reporting standards and corporate practice. Topics will be assessed against views of the significance of the Company's economic, environmental and social impacts incorporating outputs from:

- Internal and external stakeholder surveys
- Company risk registers
- Peer company disclosures
- Industry standards and frameworks relevant to the Company
- **EITI Alignment:** We endorse the principles of the Extractive Industries Transparency Initiative (EITI). We support its efforts to promote open and accountable management of oil, gas, and mineral resources worldwide, and commit to aligning our disclosures with EITI guidelines where we operate.
- **ESTMA Compliance:** As a Canadian listed entity, the Company fully complies with the reporting obligations under the Extractive Sector Transparency Measures Act (ESTMA). We ensure that all eligible payments made to governments—both domestically and internationally—are tracked, independently verified, and published annually as required by Natural Resources Canada (NRCan) standards.

4.4 Safety, Health and Environment

Mkango's Sustainability Committee Charter incorporates the commitments to work in a socially and environmentally responsible manner – ensuring workplace safety and health and environmentally sound and responsible resource development. A process safety and operational safety review was undertaken during the commissioning phase at Tyseley with all recommendations actioned and HyProMag UK is now seeking accreditation to ISO 45001. Further external audits will be undertaken as part of the ISO 45001 process. The Company will keep the scope of that review under consideration as the plant moves into sustained operation. The Pforzheim plant operates under the approvals described at Section 2.2.2, including approval under the 4th Federal Immission Control Ordinance, and the Bitterfeld plant acquired with the Remloy business on 28 August 2026 is a third operating site within the group. Health, safety, process, environmental, tailings and closure risks are described at Section 5.9.

4.5 Climate Change

The Paris Agreement is a legally binding international treaty on climate change, adopted in December 2015 and in force since November 2016.

Reflecting this context, there is also increasing global recognition of the need for critical and transitional minerals to enable the energy transition, and to attain climate targets. The Mkango business model directly reflects these global goals – both as an enabler: through the future production of rare earths, and as an example of circularity: in the Mine-Refine-Recycle strategy of the business.

At Mkango, management is accountable for executing the Company's approach to climate change. Reflecting the early-stage development of the business, the team's performance is primarily linked to achievement of successful milestones. Mkango is continuing to develop its performance recognition and reward systems, and the completion of the materiality process will assist

in informing any dimension of sustainability that should form part of short and long-term incentive plans. This will help to drive outcomes that protect and create long-term value.

While the Company's mining projects are not yet in production and its recycling operations are at the development stage or at an early stage of commercial production, Mkango is yet to commence processes that will allow climate-related risks, opportunities, impacts and dependencies to be identified in a more granular way within the business. It is envisaged that like other strategic risks, climate-related risks will be an integral part of the Company's Enterprise Risk Management and materiality processes. Climate-related and physical risks affecting the Company are described at Section 5.9.

4.6 Decarbonisation

As Mkango has commenced commercial production of recycled rare earth products, process optimisation will increasingly inform strategy on how best to support the objectives of the Paris Agreement through the lifetime of its assets. The Company has completed processes to understand the relative carbon footprint of its recycled rare earths products with HyProMag USA having engaged Minviro to undertake a product carbon footprint analysis and HyProMag UK and HyProMag Germany having similarly completed internal analyses. These analyses demonstrate a 95% reduction in CO₂ emissions relative to primary production. Additional information on the HyProMag USA product carbon footprint (PCF) can be found on the Company's website.

5 SELECTED CONSOLIDATED FINANCIAL INFORMATION

Information discussed herein reflects the Company as a consolidated entity.

Financial Position

Total assets were \$26,883,665 at 30 June 2026, compared to \$14,985,690 at 31 December 2025, the increase of \$11,897,975 principally reflecting the increase in cash from \$3,058,561 to \$13,638,507.

Current assets increased by \$10,326,471 to \$14,122,226, principally due to the increase in cash, together with an increase of \$96,658 in other receivables, prepaid expenses and accrued income and the recognition of inventory of \$11,266 following the commencement of commercial sales of recycled NdFeB alloy powder, this was partly offset by a decrease of \$170,464 in government remittances receivable and a decrease of \$190,935 in amounts due from related parties. Non-current assets increased by \$1,571,504 to \$12,761,439 (31 December 2025: \$11,189,935) with the movement relating to an increase in property, plant and equipment of \$1,819,646.

Total liabilities decreased from \$15,650,800 to \$14,805,167 and current liabilities from \$13,871,885 to \$12,715,152, in each case principally through the \$1,847,482 fair value reduction in the investor warrant derivative liability, which is discussed at Section 5.11. Excluding that non-cash item, current liabilities increased through the convertible loan notes and the associated derivative liability, which together increased by \$322,617 following the accrual of interest on both the BCA Note and the F-4 Note.

Total equity improved by \$12,743,608 to \$12,078,498, reflecting the loss attributable to common shareholders of \$2,564,903 and share capital issued of \$15,779,603 as part of the fund raising efforts, as well as a \$17,059 increase in contributed surplus, less the \$315,221 exchange loss on translating foreign operations and a reduction in the non-controlling interest of \$172,930. Total equity became positive due to the accumulated deficit of \$66,903,584 no longer exceeding the Company's share capital and contributed surplus.

The following financial data is derived from the Company's consolidated statements of financial position as at 30 June 2026 and 31 December 2025, 2024 and 2023:

As at	30 June 2026	31 December 2025	31 December 2024	31 December 2023
Total assets	26,883,665	14,985,690	10,711,520	9,293,371
Total equity	12,078,498	(665,110)	6,433,611	4,561,306

Total assets

Total assets were \$14,985,690 as at 31 December 2025 as compared to \$10,711,520 as at 31 December 2024. Total assets increased by \$4,274,170 as a result of further capital expenditure on both the HyProMag UK and HyProMag Germany recycling projects and significant acquisition towards commercial scale. Furthermore, the corporate office space lease for Mkango Services in London commenced in October 2025 resulting in an additional Right-of-Use asset being recognised during the year.

Total assets were \$10,711,520 as at 31 December 2024 as compared to \$9,293,371 as at 31 December 2023. Total assets increased by \$1,418,149 as a result of capital expenditure on both the HyProMag UK and HyProMag Germany recycling projects.

As at 1 January 2025, the Company had an opening cash position of \$1,159,807. Cash received during the year ended 31 December 2025 was \$8,505,567 from the net proceeds relating to the equity raises that took place during the year as well as CoTec cash calls to maintain its 20.6% interest in Maginito. Cash used in operations was \$4,219,190 and cash of \$2,454,502 was spent on exploration and evaluation intangible assets and equipment for the HyProMag UK and HyProMag Germany recycling projects (net of government grants received). The effect of exchange rate changes on cash was an increase of \$66,879 during the year for a closing cash position of \$3,058,561.

As at 1 January 2024, the Company had an opening cash position of \$996,782. Cash received during the year ended 31 December 2024 was \$2,883,678 from the net proceeds relating to the equity raises that took place during the year as well as CoTec cash calls to maintain its 20.6% interest in Maginito. Cash used in operations was \$2,065,386 and cash of \$715,742 was spent on exploration and evaluation intangible assets and equipment for the HyProMag UK and HyProMag Germany recycling projects (net of government grants received). The effect of exchange rate changes on cash was an increase of \$60,475 during the year for a closing cash position of \$1,159,807.

Total shareholders' equity

Total shareholders' equity was (\$665,110) as at 31 December 2025 compared to \$6,433,611 as at 31 December 2024. The decrease of \$7,098,721 is largely due to an increase in the retained deficit due to a significant fair value adjustment of \$10,774,954 relating to outstanding investor warrants. The Company's financing strategy includes the issuance of shares with warrants, giving rise to investor warrant derivative liabilities that are sensitive to share price movements and have resulted in significant non cash fair value losses and derivative liabilities. Upon exercise, these liabilities will be reclassified to equity.

Total shareholders' equity was \$6,433,611 as at 31 December 2024 compared to \$4,561,306 as at 31 December 2023. The increase of \$1,872,305 is largely due to the proceeds relating to equity raises in April and September 2024.

5.1 Results of Operations

5.1.1 Summary Results of Operations

The following financial data is derived from the Company's consolidated financial statements for the years ended 31 December 2025, 2024 and 2023:

	Year ended 31 December		
	2025	2024	2023
Mineral project and research and development expenditures	(106,370)	(89,677)	(358,542)
General and administrative expenses*	(6,787,164)	(3,110,097)	(4,134,980)
Other items**	(10,895,924)	2,635,253	254,475
Income tax	142,850	143,242	59,097
Total net loss after tax	(17,646,608)	(421,279)	(4,179,951)
Total net loss attributable to non-controlling interest	(680,012)	364,939	(122,926)
Total net loss attributable to the common shareholders	(16,966,596)	(786,218)	(4,057,025)
Basic and diluted loss per share	\$ (0.0504)	\$ (0.0029)	\$ (0.0170)
Weighted average number of common shares (basic and diluted)	330,943,421	272,447,996	238,757,233
Distributions or Dividends	\$ Nil	\$ Nil	\$ Nil

* General and administrative expenditures represent all other expenditures, other than mineral project and research and development expenditure, disclosed in the statement of comprehensive loss and includes non-cash items.

** Other items are share of associated company losses, gains on the revaluation of options, embedded derivative fair value adjustments, interest income and finance expense and in 2024 a reversal of contingent consideration.

The net loss after tax for the year ended 31 December 2025 was \$17,646,608 compared to the net loss reported for the year ended 31 December 2024 of \$421,279. The net loss increased by \$17,225,329 for the comparable periods. The significant items contributing to the change include:

- The fair value adjustment of \$10,774,954 related to outstanding investor warrants.
- Increased general and administrative expenses, slightly higher mineral project and increased research and development expenditures to advance growth initiatives across the Company, primarily for the SPAC merger.

The net loss after tax for the year ended 31 December 2024 was \$421,279 compared to the net loss reported for the year ended 31 December 2023 of \$4,179,951. The net loss decreased by \$3,758,672 for the comparable periods. The significant items contributing to the change include:

- A once off reversal of contingent consideration of \$3,237,152 based on missed contractual milestones relating to the HyProMag acquisition in 2023.
- Decreased general and administrative expenses and mineral project and research and development expenditures as a result of cost control initiatives across the Company.

The selected period information and summary of financial results below is derived from and should be read in conjunction with the Financial Statements.

5.1.2 Results by Operating Segment

The Company reports three operating segments: rare earths recycling projects; rare earths mining and refining projects; and corporate. Segment results for the half year, and for the comparative half year, are as follows.

Segment	Profit/(loss) before tax H1 2026	Profit/(loss) before tax H1 2025	Assets at 30 June 2026
Rare earths recycling projects	(2,134,193)	(782,342)	13,171,806
Rare earths mining and refining projects	(1,340,897)	(579,747)	1,190,845
Corporate	384,879	(2,368,132)	12,521,014
Total	(3,090,211)	(3,730,221)	26,883,665

The recycling segment recorded a loss before tax of \$2,134,193 (H1 2025: \$782,342), the increase reflecting the scale-up of operations at Tyseley and Pforzheim and the associated depreciation and amortisation of \$535,861 (H1 2025: \$416,532). It is the only segment with revenue, being \$51,621 from the sale of alloy powder. The mining and refining segment recorded a loss before tax of \$1,340,897 (H1 2025: \$579,747), reflecting increased expenditure on the Songwe Hill and Pulawy studies. The corporate segment returned a profit before tax of \$384,879 (H1 2025: loss of \$2,368,132); that movement is not operational and arises almost entirely from the non-cash fair value adjustment on the investor warrant derivative liability, which is recognised at the corporate level. Excluding the corporate segment, the Company recorded a combined loss before tax from its operating segments of \$3,475,090 (H1 2025: \$1,362,089).

The Company's business is not subject to material seasonal variation. Results between half years are affected principally by the timing of project expenditure and by non-cash fair value movements rather than by seasonal factors.

5.2 Related Party Transactions and Balances

Leo Mining and Exploration Ltd. ("Leominex"), a British Virgin Islands company in which the Company's Chief Executive Officer William Dawes and President Alexander Lemon are major shareholders and in which non-executive director Shaun Treacy holds a small interest, is considered related by virtue of common directors and officers. Leominex pays certain rental costs on behalf of Mkango. Mkango reimburses Leominex for these costs. As of 30 June 2026, the Company was owed an amount of \$19,850 by Leominex. At 31 December 2025 the position was reversed and the Company owed Leominex \$7,216. Amounts are unsecured and due on demand.

CoTec is considered related as it has a 20.6% interest in Maginito. HyProMag USA is considered related as it is a 50/50 joint venture between HyProMag UK, which is wholly owned by Maginito, and CoTec. As of 30 June 2026, CoTec owed the Company \$16,355 (31 December 2025: \$209,111) relating to costs incurred by the Company on the roll-out of HPMS technology into the

United States on behalf of HyProMag USA LLC, for which CoTec is responsible. That amount comprises \$Nil recorded as due from CoTec and \$16,355 recorded as due from HyProMag USA (31 December 2025: \$117,240 and \$91,871 respectively).

The amounts due to related parties were as follows:

	30 June 2026	31 December 2025
Due to key management and directors	55,117	108,293
Due to related parties with common directors (Leominex)	-	7,216
Total due to related parties	55,117	115,509

The amounts due from related parties were as follows:

	30 June 2026	31 December 2025
Due from key management and directors	661	11,106
HyProMag USA	16,355	91,871
CoTec	-	117,240
Leominex	19,850	-
Total due from related parties	36,866	220,217

Amounts due from related parties exclude \$7,584 shown as due from Mkango Cayman in Note 13 to the Financial Statements at 31 December 2025. Mkango Cayman is a wholly owned subsidiary and the balance is not a related party transaction.

5.3 Expenditures

Total expenses attributable to common shareholders and non-controlling interest	Half year ended 30 June 2026	Half year ended 30 June 2025
Sales	51,621	-
Cost of sales	(65,141)	-
Gross loss	(13,520)	-
<i>General and administrative</i>		
Audit and tax management	(112,904)	(120,643)
Legal fees	(367,499)	(91,981)
Salaries and consulting fees	(1,444,159)	(770,717)
Rent, storage, telephone and insurance	(96,725)	(156,637)
Travel and marketing	(109,885)	(81,306)
Listing and brokerage expenses	(213,137)	(72,056)
Share-based payments	(298,820)	(240,874)
Depreciation	(282,432)	(154,571)
Amortisation	(264,007)	(264,008)
Investor relations and marketing	(100,780)	(57,949)
Expected credit losses	(329)	(682)
HyProMag UK (excl salaries)	(253,034)	(51,751)
HyProMag Germany (excl salaries)	(19,969)	32,874
Mkango UK	(132,290)	(190,752)
SPAC related costs	(982,919)	(343,297)
Sub total - General and administrative	(4,678,889)	(2,564,349)
<i>Mineral project expenditures</i>		
<i>Songwe Hill Project</i>		
Metallurgy expenses	-	(4,579)
Government fees	-	-
ESHIA	-	(1,661)
Technical studies	-	-
Storage and consulting fees	(14,084)	(2,575)
Malawi office and camp expenses	(64,155)	(43,568)

Total expenses attributable to common shareholders and non-controlling interest	Half year ended 30 June 2026	Half year ended 30 June 2025
REE Separation Plant Pre-feasibility Study	-	-
Thambani projects	(844)	(703)
Sub total - Mineral projects	(79,083)	(53,086)
Total expenses	(4,757,972)	(2,617,435)
Other income	64,571	-
Interest income	6	6
Finance Expense	(325,119)	(22,849)
Share of associated company's losses	-	-
Fair value losses	-	-
Fair value adjustment - derivative liability	1,847,482	(1,837,782)
Fair value adjustment - convertible note liabilities	189,780	-
Foreign exchange gain/(loss)	(95,439)	747,839
Sub total - Other items	1,681,281	(1,112,786)
Net profit/(loss) before tax	(3,090,211)	(3,730,221)

Six months ended 30 June 2026 compared to the six months ended 30 June 2025

Total expenses increased by \$2,140,537 from \$2,617,435 in the first half of 2025 to \$4,757,972 in the first half of 2026, primarily as a result of the following:

a) General and administrative: General and administrative expenses increased by \$2,114,540 from \$2,564,349 in the first half of 2025 to \$4,678,889 in the first half of 2026. The increase was driven by a \$639,622 increase in SPAC transaction related costs (First half 2026: \$982,919; First half 2025: \$343,297), including costs in connection with technical reports, as well as increased salary and consulting fees of \$673,441 with the reassignment of the HyProMag Germany and HyProMag UK salaries into this line item. There was also an increase in spend in HyProMag UK of \$201,283 reflecting the continued development of the recycling project and reduction in the receipt of government subsidies for the period. Additionally, there was a decrease in expenditure in Mkango UK of \$58,461 due to the receipt of government subsidies.

b) Mineral Projects: Mineral project expenditures of \$79,083 represents an increase of \$25,998 half year-on-half year, which was mainly attributable to higher metallurgical sample storage costs and consulting costs compared with the six months ended 30 June 2025 and a slight increase in camp expenses for the half year.

In first half of 2026, the Company recorded a fair value credit of \$1,847,482 on the derivative liability associated with investor warrants, compared with a charge of \$1,837,782 in first half of 2025, as a result of movement in the share price. The Company also recognised an increase in finance expenses as a result of the convertible loan notes of \$325,119 in the first half of 2026 compared to finance expenses of \$22,849 in first half of 2025. Additionally, there was a fair value adjustment gain of \$189,780 in the first half of 2026 related to the convertible loan notes which were not in existence in the first half of 2025.

Project expenditure and next stage

The Company's significant projects have not yet generated operating revenue other than the alloy powder sales referred to above. Expenditure incurred in the half year, and the stage each project has reached against its plan, is as follows.

Songwe Hill. Mineral project expenditure of \$79,083 was incurred in the first half of 2026, principally storage and consulting fees and Malawi office and camp costs. The Songwe DFS was completed and filed during 2026 and a large-scale mining licence application was submitted in May 2026, so the project stands at the point of transition from study to permitting. The next stage is grant of the mining licence and a construction decision. Neither the cost of that stage nor its timing is committed, and the project is not funded; the \$4.6 million of reimbursable DFC funding is directed at front-end engineering and value engineering rather than construction.

Pulawy. No separate expenditure was charged to the mineral projects line in the 6 months; costs in respect of the project optimisation have been capitalised to intangible assets. The pre-feasibility study was completed and announced on 19 March 2026, and the project stands at pre-feasibility with an AACE Class 4 estimate. The next stage is a feasibility study and the engineering phase contemplated by the milestone schedule at Section 2.6, ahead of an initial plant capital cost estimated at approximately US\$212 million. No construction decision has been taken and the project is not funded.

Recycling projects

Expenditure on the recycling businesses is reported within general and administrative expenses, comprising \$253,034 for HyProMag UK, \$19,969 due to government subsidies for HyProMag Germany and \$132,290 for Mkango UK, in each case excluding salaries, together with additions to property, plant and equipment of \$1,314,608 before government grants of \$212,025. HyProMag UK and HyProMag Germany are in the early stages of commercial operation and the next stage for each is completion of commissioning and scale-up, to be funded from the proceeds of the April 2026 Fundraise and from grant funding. The Texas Hub is funded by CoTec as described at Section 5.9.4.

5.4 Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certification of Disclosure in Issuers' Annual and Interim Filings) (NI 52-109), the Chief Executive Officer and Interim Chief Financial Officer of the Company have filed Form 52-109FV2 – Certification of Interim Filings - Venture Issuer Basic Certificate with respect to the financial information contained in the Financial Statements for the half year ended 30 June 2026 and this accompanying MD&A (together, the "Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificate filed by the Company with the Filings on SEDAR+.

5.5 Commitments

5.5.1 HyProMag Germany Commitments

As at 30 June 2026, the Company had outstanding commitments related to the purchase of specialised equipment for use in its German operations. Contracts for this equipment have been signed, and progress payments have been made to date. The remaining committed payments, which fall due within the 12 months from 30 June 2026, total approximately \$589,499 and are expected to be settled in line with the agreed manufacturing and delivery schedules.

5.5.2 Lease Commitments

The Company leases office and manufacturing premises, including the HyProMag Germany manufacturing facility and the London corporate office. During the period the manufacturing facility lease for HyProMag Germany was extended from an initial term of 5 years with an option to extend for a further 2 years to an initial term of 5 years with the options to extend for a further 5 years. At 30 June 2026 the lease liability was \$1,624,224 (31 December 2025: \$1,252,179), split between a current portion of \$178,013 and a non-current portion of \$1,446,211. Future minimum lease payments on an undiscounted basis total \$1,878,970, comprising \$176,438 falling due in the remainder of 2026, \$241,878 in each of 2027 and 2028 and \$1,218,776 thereafter, less discount of \$254,746.

5.5.3 Remloy Acquisition

During the period Mkango entered into an agreement with Heraeus Amloy Technologies GmbH to acquire the Remloy rare earth magnet recycling business for EUR 8 million (approximately \$9.3 million), comprising EUR 5 million (approximately \$5.8 million) payable at closing and EUR 3 million deferred for two years. The Company paid the initial consideration of EUR5 million on 28 August 2026 with the deferred payment of EUR 3 million due by 28 August 2028.

5.5.4 Grants Received in Advance

At 30 June 2026 the Company held government grants received in advance of \$806,039 (31 December 2025: \$1,004,429), relating to the REEsilience and GREENE programmes and EIT Raw Materials Booster Funding. Those grants are subject to conditions which, if not met, could result in repayment.

5.6 Issued and Outstanding Share Information

The following table sets out the Company's issued and outstanding securities. Share, stock option and investor warrant figures are stated as at the date of this MD&A; broker warrant and restricted share unit (RSU) figures are stated as at 30 June 2026, no movements having been recorded between that date and the date of this MD&A.

Security	Number	As at	Notes
Common Shares	388,953,618	Date of this MD&A	387,603,618 at 30 June 2026, plus 550 000 on the warrants exercise of 22 July 2026 and 800,000 on the warrants exercise of 19 August 2026
Stock options	19,329,933	Date of this MD&A	19,329,933 at 30 June 2026, plus 550,000 granted to management on 31 August 2026. Weighted average exercise price \$0.15; exercise prices in the range \$0.04 to \$0.36, in each case at 30 June 2026. 15,976,644 vested at 30 June 2026
Broker warrants	1,800,000	30 June 2026	Weighted average exercise price \$0.18; exercise prices in the range \$0.065 to \$0.395; weighted average remaining contractual life 1.34 years
Investor warrants	20,310,000	30 June 2026	21,660,000 less 550 000 on the warrants exercise of 22 July 2026 and 800,000 on the warrants exercise of 19 August 2026. Weighted average exercise price \$0.16; exercise prices in the range \$0.09 to \$0.39; weighted average remaining contractual life 1.01 years
RSUs	9,679,434	30 June 2026	9,679,434 at 30 June 2026

5.7 Off Balance Sheet Arrangements

The Company is not party to any off-balance sheet arrangements or transactions as defined in Form 51-102F1. HyProMag USA is a joint venture accounted for under the equity method; Maginito's investment in it is carried at nil and Maginito has incurred no legal or constructive obligation in respect of it, so no attributable losses have been recognised. The joint venture and the arrangements governing it are described at Sections 2.3 and 5.2.

5.8 Accounting Policies and Estimates

Management is required to make judgments, assumptions and estimates in the application of IFRS that have a significant impact on the financial results of the Company. The most significant of these relate to the fair value of the investor-warrant derivative liability and of the convertible note embedded derivatives (including the probability of completion of the Proposed Business Combination used to value the convertible loan notes), the recoverability of exploration and evaluation and intangible assets, and the assessment of control and effective interest in subsidiaries. Details outlining Mkango's accounting policies are contained in the notes to the Financial Statements in the yearend financial statements 31 December 2025.

Following the commencement of commercial sales of recycled NdFeB alloy powder, the Company adopted a revenue recognition policy in accordance with IFRS 15 – Revenue from Contracts with Customers, as described in Note 4 to the Financial Statements. Revenue is recognised at a point in time when control of the products passes to the customer, which is typically determined with reference to the contractual shipping terms. The Company also adopted the amendments to IFRS 9 – Financial Instruments and IFRS 7 – Classification and Measurement of Financial Instruments with effect from 1 January 2026, which did not have a material impact on the Financial Statements.

Additionally, the company adopted an inventories recognition policy whereby the company's inventories comprising magnet and alloy feedstock, work in progress, and finished neodymium-iron-boron alloy powder and magnets are measured at the lower of cost and net realisable value. The cost of alloy powder inventories is assigned on a weighted average cost basis.

The Company also amended its accounting policy for government grants to align more closely with IAS 20, Accounting for Government Grants and Disclosure of Government Assistance. The amended policy provides more detailed guidance, including separate treatment for grants related to assets versus grants related to income, explicit mechanics for grant repayments, and guidance on forgivable government loans. The core recognition principle and the treatment of mineral exploration expenditure net of grant proceeds are unchanged. This amendment did not affect any amounts recognised in the current or comparative period. There were no other changes to the Company's accounting policies during the period.

5.9 Risk Factors

The Company's business and future operations are subject to numerous risks and uncertainties. The following is a summary of certain principal risks that could materially affect the Company's business, financial condition, or future results. The risks described below are not exhaustive, and additional risks not presently known to the Company or currently deemed immaterial could also affect its business.

5.9.1 Risks Related to Mining, Exploration and Development

- Resource and Reserve Estimate Uncertainty

The Company's ability to successfully develop the Songwe Hill Project is dependent on the accuracy of its mineral resource and reserve estimates. These estimates are inherently uncertain and may be materially affected by: changes in projected capital and operating costs, unforeseen operational issues, and metallurgical recovery rates.

- Title and Regulatory Change Risk

The validity of mining claims and licences is often complex and subject to challenging governmental procedures or local land claims. The Company cannot guarantee that its title to its exploration and development properties will not be challenged. Furthermore, changes in government policy regarding exploration, development and operations, including taxation, royalties, required national ownership levels, or other changes of policy in the jurisdictions in which the Company operates, could adversely affect the Company's assets.

- Failure to Obtain or Maintain Necessary Licenses and Permits

The Company's operations in Malawi and Poland require various governmental permits, licences, and approvals. This process is complex, time-consuming, and expensive. The Company may be unable to obtain or maintain all necessary permits or licences required to operate its projects, including the required mining licence in Malawi or permits for the Pulawy Project in Poland, which could result in project delays or abandonment.

- Pulawy Land Access and Supply Arrangements

Development of the Pulawy Project depends on securing and maintaining land access under the Lease Option Agreement and the underlying lease described at Section 2.6, which is terminable on the events there described if they occur before 31 December 2030. Continuation of the lease is also conditional on the Company granting Grupa Azoty PULAWY a guarantee of Mkango Polska's obligations, as described at Section 2.6; that guarantee has not been granted and a failure to grant it before that date would itself give rise to a termination event. In addition, operation of the plant assumes that Grupa Azoty PULAWY will supply reagents, utilities and other industrial inputs, purchase ammonium nitrate produced at the plant, collect effluents and provide other services under supply agreements and a cooperation agreement that have not been finalised. There is no assurance that mutually acceptable terms will be reached, that those agreements will be executed within the expected timeframe, or that they will be performed in accordance with their terms.

With respect to the Proposed Pulawy Separation Plant, the Company may face community, regulatory, or municipal objections related to land use, zoning, environmental concerns, permitting, and infrastructure development. Even where contractual land access rights are in place under the Lease Option Agreement, third parties may assert interests or raise objections to construction or operation of the facility, including objections based on environmental protection, public health concerns, nuisance factors, cultural site considerations, impacts of increased industrial activity, or alleged inconsistencies with local development plans. Such objections may lead to administrative proceedings, public consultations, appeals, or litigation, any of which could delay development or impose additional mitigation measures or obligations.

- Environmental Impacts at the Pulawy Site

Because the environmental impact of Grupa Azoty PULAWY's existing installations on and near the leased property cannot practically be distinguished from that of the proposed plant, the Lease Option Agreement provides that Mkango Polska agrees to bear or tolerate those impacts, including gas and dust emissions, noise and electromagnetic fields, and to accept that permissible environmental quality standards on the leased property may be exceeded as a result. That provision may create uncertainty as to the extent to which Mkango Polska could be held responsible for pre-existing or ongoing environmental conditions attributable to Grupa Azoty PULAWY, and may limit the Company's recourse.

- **Transport of MREC from Malawi to Poland**

The development plan contemplates producing MREC at Songwe Hill and transporting it to Pulawy for separation, involving road and rail haulage from the mine site to port, ocean freight and inland rail within Europe. Each stage presents risks that could disrupt timely delivery, increase cost or impair product quality. Those risks include, but are not limited to:

Potential risks include, but are not limited to:

- *Infrastructure and Logistics Constraints:* Malawi is a landlocked country with limited transport infrastructure. Road and rail conditions, port congestion, and availability of suitable shipping vessels may cause delays or increase costs.
- *Regulatory and Customs Risks:* Cross-border transport of rare earth materials is subject to complex regulatory regimes, including export controls, customs clearance, and hazardous material handling requirements. Changes in regulations or enforcement practices could delay shipments or increase compliance costs.
- *Political and Security Risks:* Political instability, labor strikes, civil unrest, or security incidents in transit countries could disrupt transport routes or result in loss or damage to cargo.
- *Environmental and Weather Risks:* Extreme weather events, such as flooding or cyclones, could damage infrastructure or delay shipments.
- *Quality and Handling Risks:* Improper handling during transport could lead to contamination, moisture ingress, or physical degradation of MREC, which may adversely affect processing efficiency and product quality at the Proposed Pulawy Separation Plant.

Any of these factors could result in increased operating costs, reduced throughput, delays in revenue generation, or reputational harm. In addition, prolonged disruptions could require us to seek alternative transport routes or storage solutions, which may not be feasible on commercially acceptable terms. These risks could materially adversely affect our business, financial condition, and results of operations.

- **Need for Additional Capital for Project Development**

MKAR is largely a development-stage entity. The Songwe Hill Project and the Pulawy Project will require substantial capital for construction, commissioning, and operational start-up, which has not yet been secured.

- **Development Risk**

The development of the Songwe Hill Project and the Pulawy Project involves complex technical, logistical, and execution challenges. The Company faces risks related to processing complexity (metallurgical risk), managing project execution, and securing and retaining skilled personnel and contractors with the specialised capacity required for construction and ramp-up. Operations also depend on the availability of essential infrastructure, including reliable power, water, and transportation networks (roads, ports). Disruptions, delays, or inadequacies in any of these areas could significantly increase operating costs or delay project completion and commencement of production.

- **Country and Emerging Market Risk**

The Company operates in a number of jurisdictions, and its principal mineral assets are located in Malawi. Operations in any jurisdiction are subject to political, economic and social conditions that may differ from those in the jurisdictions in which the Company's securities are listed. These include changes in government or in government policy, amendments to mining or fiscal legislation, the terms on which licences are granted, renewed or extended, exchange controls and the availability of foreign currency, inflation and currency movements, limitations on the repatriation of funds, the availability and capacity of power, transport and port infrastructure, community relations and land access, and differences in legal and administrative systems and in the procedures available for resolving disputes. The Mine Development Agreement provides for a period of fiscal stability; as with any long-term arrangement, its terms may be varied or may not be extended, and the Company can give no assurance as to the fiscal regime that will apply over the life of the Songwe Hill Project.

- Climate-Related and Physical Risk

The Company is exposed to transition risks arising from climate policy, carbon pricing and changing customer requirements, and to physical risks including extreme weather, flooding and drought affecting operations in Malawi and the availability of water and power. These risks may increase capital and operating costs, disrupt operations or affect the assumptions underlying the Company's economic studies.

5.9.2 Risks Related to the Recycling and Manufacturing Business (HyProMag)

- Commercialisation and Scalability of HPMS Technology

The core of the recycling business relies on the proprietary HPMS technology, which is now being scaled for commercial production. There is no guarantee that HPMS can be successfully scaled up from pilot operations to commercially viable, large-scale production across multiple sites (UK, Germany, the U.S.). Unforeseen technical or commercial difficulties during scale up or operations or a failure to meet customer specifications could result in lower recovery rates, increased costs, or lost sales.

- Feedstock Supply and Pricing

The commercial viability of the recycling projects depends on the ability to secure a consistent, sufficient, and cost-effective supply of rare earth scrap (feedstock). The Company faces increasing competition for this feedstock and cannot guarantee it will secure the required quantity and quality of scrap at a reasonable price, which could render the plants uneconomical. Furthermore, variations in the purity and consistency of scrap material can affect the efficiency and cost of the recycling process.

- Absence of Offtake Agreements and Committed Customers

The Company has no definitive offtake agreements or committed customers for future production of mixed rare earth carbonate from Songwe Hill, separated rare earth oxides from Pulawy, or recycled magnet products beyond current sales. Project financing for each of the projects is expected to depend on securing offtake commitments. There is no assurance that offtake agreements will be concluded, or concluded on terms that support the economics assumed in the Company's studies, and a failure to do so would delay or prevent development.

- Theft and Loss of Product and Materials

Mixed rare earth carbonate, separated rare earth oxides, magnet feedstock, reagents, consumables and equipment are valuable and, in some cases, readily transportable. Theft or loss of such materials, whether at site, in storage or in transit, may occur and is difficult to control. Losses of this kind could reduce saleable production, increase costs and disrupt operations.

- Technology Obsolescence and Intellectual Property Risk

The recycling segment of the business relies heavily on the technical and commercial viability of the HPMS technology. Rapid technological advancements and innovation in the broader rare earth magnet and recycling industries could result in a competitor developing a superior, lower-cost, or non-chemical alternative recycling process that renders HPMS obsolete or less competitive. Furthermore, the Company's inability to adequately protect its intellectual property, patents, and trade secrets, or successfully defend them against infringement by third parties, could materially affect its ability to generate revenue and maintain market share in the recycling segment.

- Competition from Other Technologies and Better-Financed Competitors

The rare earths recycling and primary production sectors are highly competitive. The Company faces direct competition from: (i) existing large, vertically integrated rare earth producers, often state-backed, which have significantly greater financial and technical resources; and (ii) companies developing alternative magnet technologies (e.g., non-rare earth magnets) or competing recycling processes that may be better funded, faster to market, or more cost-effective than HPMS. This competition could lead to reduced market share, pricing pressure, or render the Company's technology and projects less competitive.

- Health, Safety and Process Risk

The Company's recycling operations use the Hydrogen Processing of Magnet Scrap process, which involves the handling and storage of hydrogen, together with milling, heat treatment and magnet manufacturing operations. These activities carry risks of fire, explosion, uncontrolled release, equipment failure and injury to personnel. The Company's plants at Tyseley and Pforzheim are in the early stages of operation and commissioning, and the Bitterfeld plant acquired with the Remloy business on 28 August

2026 is a further operating site and the Texas Hub will add another. A serious safety or process incident could result in injury or loss of life, suspension of operations, regulatory investigation, loss of permits, litigation and reputational damage, and may not be fully covered by insurance.

- Integration of the Remloy Business

The Company acquired the Remloy business from Heraeus Amloy Technologies GmbH on 28 August 2026. The anticipated benefits and synergies may not be realised, whether because of difficulties in integrating the business, the loss of key personnel, or the separation of the business and its systems from the Heraeus group. The Company has agreed deferred consideration of EUR 3 million payable on 28 August 2028. Scale-up of the Bitterfeld plant to its target capacity depends on securing feedstock and customers on acceptable terms, and the stockpile of magnets, alloys and other raw materials acquired with the business may not realise the value attributed to it. Remloy adds a third operating site to a group whose operations are already at an early stage.

5.9.3 Financial and Commodity Risks

- Commodity Price Volatility

The Company's future profitability will be closely tied to the market price of rare earth elements, particularly Neodymium (Nd) and Praseodymium (Pr). Rare earth prices are subject to extreme volatility due to: global supply and demand dynamics, primarily dominated by China; geopolitical events; and the potential for technological substitution.

- Market Access, Offtake, and Geopolitical Supply Chain Risk

The global rare earth market is strategically concentrated, with significant processing and magnet manufacturing capacity controlled by a single dominant nation. The Company's commercial success depends on its ability to secure economically viable, long-term offtake agreements for both its rare earth mine output and its recycled magnet products. The implementation of further export controls, tariffs, or trade restrictions by dominant geopolitical players, or a failure to secure definitive contracts with end-users in the Western supply chain, could lead to price volatility, constrained market access, and negatively impact the financial viability of the Company's projects.

- Foreign Currency Exchange Risk

The Company operates in various countries with multiple currencies (USD, GBP, Euro, CAD, and Malawian Kwacha). Fluctuations in exchange rates affect the cost of local operating expenses, capital expenditures, and the value of assets. Specifically, the derivative liability associated with certain investor warrants, which is denominated in GBP but reported in USD, exposes the Company to significant fair value movements, driven primarily by movements in the Company's share price and, to a lesser extent, by exchange rate movements, causing volatility in reported net earnings.

- Going Concern Uncertainty

The Company has incurred losses since inception and continues to rely on securing additional financing to fund its operations, development activities, and working capital requirements. During the half year the Company completed an equity Fundraise with net proceeds of approximately \$15.5 million, which significantly improved its liquidity position; nevertheless, as described in Note 2 to the Financial Statements, a material uncertainty remains that may cast significant doubt on the Company's ability to continue as a going concern. While the Company is actively pursuing the SPAC transaction and other financing options, there is no assurance that the Company will be able to raise sufficient funds, and the Company's continued existence as a going concern is dependent on its ability to obtain financing.

- Dilution and Share-Price Volatility

The Company has a substantial number of outstanding warrants, options and RSUs and has completed two equity placings within the past twelve months. Exercise of these instruments, or further equity financings, would dilute existing shareholders, and the share price may be volatile owing to the derivative accounting for the investor warrants, the progress of the Proposed Business Combination, and rare earth market conditions.

- Government Grant Conditions and Claw-Back

The Company has received government and institutional grant funding in support of its recycling projects, including amounts received in advance of the related expenditure \$806,039 at 30 June 2026. Grant funding is conditional on the satisfaction of eligibility criteria, the achievement of project milestones, the incurring of matched expenditure and continuing compliance

with the terms of each award. If those conditions are not met, funding may be withheld, suspended or reclaimed, which would adversely affect the Company's liquidity and the funding of the affected projects.

- Convertible Loan Note Redemption

The BCA Note matured on 1 July 2026 and the Proposed Business Combination did not complete before that date. Both notes were amended on 31 August 2026: the BCA Note principal is \$623,766, its maturity is extended to 31 December 2026 and \$650,000 is due at maturity, and the F-4 Note principal is \$261,250 with \$300,000 due at maturity. On completion each holder releases MKAR in consideration for Class A shares issued at \$5.00 a share, so that neither note is repaid in cash if the transaction closes. If the Proposed Business Combination does not complete before 31 December 2026, which is also the outside date under the Business Combination Agreement, and the notes are not further extended, they fall due for payment in cash at a time when the failure of the transaction itself would be expected to constrain access to further financing.

- Negative Shareholders' Equity

The Company had total shareholders' equity of \$12,078,498 at 30 June 2026 (31 December 2025: \$(665,110)). The position turned positive during the period following the Fundraise and the non-cash fair value credit on the investor warrant derivative liability. The accumulated deficit of \$66,903,584 arises principally from the cumulative non-cash fair value losses recognised on that liability and from accumulated losses since inception. The liability is remeasured at each reporting date and an increase in the share price would give rise to a further charge, so the Company may return to a negative equity position, which may affect its ability to obtain financing on acceptable terms, its standing with counterparties and suppliers, and its eligibility under certain listing and financing criteria.

- Insurance

The Company maintains insurance in amounts it considers reasonable, but not all risks are insurable and cover may not be available on commercially reasonable terms for all of the hazards associated with mineral development, hydrogen processing and magnet manufacturing. Losses in excess of cover, or arising from uninsured risks, would be borne by the Company.

5.9.4 Corporate, Legal and Geopolitical Risks

- Reliance on CoTec Holdings Corp. for HyProMag USA Financing and Development

The HyProMag USA magnet recycling project is a 50/50 joint venture between CoTec and HyProMag UK, which is wholly owned by Maginito. Under the joint venture arrangements CoTec is responsible for funding the costs and expenses of HyProMag USA, to the extent not funded from government grants, and for funding all expenses contemplated by the first budget, being the business plan and budget for the first three years. After completion of that budget the parties are to cooperate with a view to further funding, and either may propose funding by way of shareholder loan. Funding advanced by CoTec takes the form of shareholder loans. Shareholder loans, and any third party financing obtained by HyProMag USA, are repaid in priority to any distribution to shareholders in respect of their equity interests, so no return would accrue to HyProMag UK in respect of its interest until that funding has been repaid. The continued development of the HyProMag USA facilities, including its ability to secure subsequent project-level financing (such as the potential US EXIM Bank funding), is therefore highly dependent on CoTec's continued financial support, commitment, and ability to execute its funding obligations and co-lead the broader financing strategy. A failure by CoTec to provide funding or a material change in the joint venture relationship could severely delay or prevent the project's commissioning.

- Risk of Non-Completion of the SPAC Merger

The Proposed Business Combination is a complex transaction subject to numerous closing conditions, including: approval of a Nasdaq listing application; shareholder approvals; TSX Venture Exchange approval; and a minimum cash condition of \$5 million, satisfaction of which depends on a financing which is not committed. There is no assurance that the transaction will be completed on the terms currently contemplated, which would severely impact the Company's planned funding and development pathway for its mining and refining assets.

- Geopolitical and Trade Policy Risk

The Company is exposed to risks from international trade policies, including export controls, tariffs, and other regulatory restrictions, which could disrupt global supply chains and affect the Company's global competitive position. Operating in multiple jurisdictions increases exposure to political and regulatory risks, including potential changes in laws or policies that could be adverse to the Company.

- Availability and Delivery of Specialised Equipment

The Company's projects depend on the procurement, delivery, installation and commissioning of specialised plant and equipment, much of which is manufactured to order by a limited number of suppliers and carries long lead times. This applies across the group.

The Company has limited alternative sources of supply for certain items. Availability, pricing and delivery schedules may be affected by manufacturing capacity constraints, demand from competing projects, freight and logistics disruption, currency movements, and by export licensing, customs and other regulatory requirements applying to the movement of capital equipment and processing technology between jurisdictions. Requirements of that kind may be introduced or varied at short notice and are outside the Company's control.

Delay in the delivery or commissioning of equipment, the need to substitute alternative suppliers or specifications, or increases in equipment cost, could delay the commencement or expansion of production, increase capital costs beyond those assumed in the Company's economic studies, and affect the Company's ability to meet customer commitments. Difficulties of this kind have already been encountered in sourcing compatible ancillary equipment for the pre-processing units deployed at the United States feedstock sites.

- Litigation and Regulatory Proceedings

The Company may become subject to legal claims, litigation, or regulatory proceedings in the various jurisdictions in which it operates. Any such proceeding could require significant management time, incur substantial costs, and potentially result in damages or fines that materially impact the Company's financial health.

- Macroeconomic Risk

From a macroeconomic perspective, ongoing global market uncertainty has led to a significant reduction in risk appetite with respect to funding investment into mining companies and startup companies in general. The ability for the Company to access capital through traditional means may be significantly diminished, with the possible long-term result that projects may take longer to develop or may not be developed at all.

- Armed Conflict and its Effects on Input Costs, Energy and Logistics

Ongoing armed conflicts, including the wars in Iran and Ukraine, may adversely affect the Company's operations and cost base. These conflicts have contributed to volatility in energy, fuel and freight markets and in the supply and pricing of industrial reagents and consumables. The proposed Pulawy plant is dependent on the supply of reagents and utilities associated with the Grupa Azoty PULAWY site, the cost of which is sensitive to European natural gas and electricity prices; the Company's recycling operations in the United Kingdom and Germany are similarly exposed to European energy costs. The Company's operations in Malawi, and the movement of feedstock, equipment and product between Africa, Europe and North America, are exposed to shipping and freight rates, insurance costs, and the availability and routing of maritime transport, which may be affected by conflict in the Middle East and disruption to shipping lanes. Escalation or prolongation of either conflict, or the extension of conflict to other regions, could increase capital and operating costs beyond those assumed in the Company's economic studies, delay the delivery of long-lead equipment, disrupt supply chains and reduce the availability of financing and insurance. The Company does not hedge against these exposures, and their effects are outside its control.

- Consequences of a Nasdaq Listing

If the Proposed Business Combination completes, MKAR's common shares and warrants are expected to be listed on the Nasdaq Stock Market. A United States listing would subject the group to additional reporting, governance and internal control requirements, including those arising under the Sarbanes-Oxley Act, and to the cost and management time of maintaining compliance across multiple regulatory regimes. Certain accommodations presently available to the Company as a venture issuer in Canada may cease to be available. Failure to establish and maintain the required controls and procedures could result in regulatory action, restatement or loss of investor confidence.

- **Cyber Security and Information Technology**

The Company relies on information technology systems for its operations, financial reporting and communications, and its plants depend on process control systems. Cyber attack, ransomware, data loss, breach of personal data or failure of key systems could disrupt operations, compromise confidential or commercially sensitive information, give rise to regulatory liability and result in remediation costs and reputational harm.

- **Taxation Across Multiple Jurisdictions**

The group operates through subsidiaries in Malawi, Poland, Germany, the United Kingdom, the United States and the British Virgin Islands, and is subject to the tax regimes of each. Changes in tax law or rates, differences in the interpretation of transfer pricing arrangements between group companies, withholding taxes on cross-border payments, and the availability and continued recognition of tax losses and incentives may each affect the Company's effective tax rate and the economics assumed in its studies.

- **Malawian Tax on Indirect Transfers**

Malawi taxes capital gains as ordinary income and recent amendments have extended the capital gains regime to all share disposals regardless of holding period. Malawian legislation does not clearly address the treatment of indirect transfers, such as disposals of shares in non-Malawian entities holding Malawian assets, and there is no published guidance identifying the taxable event, the tax base or the method of calculating any gain on an upstream change of control. A disposal by the Company of its interest in MKAR, or another change of control upstream of the Malawian licence holder, could therefore give rise to uncertain and potentially material Malawian tax consequences.

5.9.5 Management and Personnel Risks

- **Reliance on Key Personnel**

The Company is heavily dependent on the continued services of a small number of key executive officers and technical personnel with specialised knowledge of rare earths and HPMS technology. The loss of any of these individuals could adversely affect the execution of the Company's strategy and its ability to secure financing or manage project development.

- **Competition for Personnel**

The specialised recycling and mining industries are highly competitive for attracting and retaining qualified and experienced technical and management personnel. The Company may be unable to hire or retain necessary employees, which could impact its ability to meet project deadlines or achieve commercial targets.

5.10 Financial Instruments and Risk Management

Nature and extent of use of financial instruments

The Company's financial instruments comprise cash, receivables and amounts due from related parties; accounts payable and accrued liabilities, amounts due to related parties and lease liabilities; investor and broker warrants; and the convertible loan notes and the conversion options embedded within them. The Company does not use derivative instruments for hedging and holds no instruments for trading purposes.

Investor warrants have been issued alongside equity placings where subscribers required warrant coverage as part of the terms of subscription, and broker warrants have been issued to brokers as part of the costs of those placings. Because the exercise prices are denominated in pounds sterling while the Company's functional currency is the US dollar, the investor warrants do not meet the fixed-for-fixed criterion for equity classification under IAS 32 and are accounted for as derivative liabilities measured at fair value through profit or loss. The liability is therefore remeasured at each reporting date, principally by reference to the Company's share price, and is reclassified to equity on exercise. Movements in the liability are non-cash and do not affect the Company's cash flows.

The convertible loan notes were issued by Mkango Rare Earths BVI (previously named Lancaster BVI) to provide working capital to MKAR pending completion of the Proposed Business Combination. Each note is a hybrid contract comprising a debt host liability, measured at amortised cost, and a conversion option which is an embedded derivative measured at fair value through profit or loss. At 30 June 2026 the host liabilities were carried at \$822,113 and the conversion options at \$149,157. Conversion was mandatory on completion of the Proposed Business Combination if that occurred before the maturity date of 1 July 2026;

the conversion shares are equity instruments of MKAR rather than of the Company. The transaction did not complete by that date. Both notes were amended on 28 August 2026 as described at Section 5.9.3; the amounts recognised at 30 June 2026 are stated on the terms then in force. As amended, each note is released in consideration for Class A shares in MKAR issued at \$5.00 a share on completion rather than converting in accordance with its original terms. Interest accrues at 12% per annum, of which 3% is paid in cash and 9% is capitalised.

Determination of fair values

Financial assets and liabilities have been classified into the following categories: (i) fair value through profit or loss and, (ii) amortised costs. Each category has a defined basis of measurement. If a category is measured at fair value, any changes in fair value are recognised in the consolidated financial statements of comprehensive loss.

In establishing fair value, the Company uses a fair value hierarchy based on levels defined below:

- Level 1 - quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - inputs for the asset or liability that are not based on observable market data.

The carrying value of cash, government and other receivables, accounts payable and accrued liabilities, and amounts due to related parties, approximates the fair value due to their short-term nature and maturity. The investor warrant derivative liability is measured using Level 2 inputs and the convertible loan note derivative using Level 3 inputs.

Fair value assumptions and sensitivity

The investor warrant derivative liability is valued using the Black-Scholes model. The inputs at 30 June 2026 for the 5 September 2024 warrants were a share price of £0.415, an exercise price of £0.07, a risk-free rate of 3.75%, an expected life of 1.184 years, expected volatility of 86.00% and a GBP/USD rate of 0.7519; and for the 2 October 2025 warrants a share price of £0.415, an exercise price of £0.45, a risk-free rate of 3.80%, an expected life of 1.2575 years, expected volatility of 87.20% and the same exchange rate. The liability is most sensitive to the share price, which fell from £0.465 at 31 December 2025 to £0.415 at 30 June 2026 and produced the fair value credit for the period.

The conversion options embedded in the convertible loan notes are valued using a Monte Carlo method and are highly sensitive to the assumed probability of completion of the Proposed Business Combination. That probability was assessed at 25% on issue of the BCA Note on 2 July 2025, increased to 50% on the confidential filing of the Form F-4 on 13 February 2026, and remained at 50% at 30 June 2026. Completion is subject to conditions that are largely outside the Company's control, and a change in the assumed probability would change the carrying value of the conversion options and the amount recognised in profit or loss.

Fair value movements recognised in profit or loss for the six months ended 30 June 2026 were a credit of \$1,847,482 on the investor warrant derivative liability and a credit of \$189,780 on the conversion options, together with a finance expense of \$325,119. These amounts are non-cash other than the cash element of interest. The credit on the investor warrant liability is the principal reason the Company reported a profit before tax for the period, and a corresponding charge would arise on an increase in the share price. There are no deferred or unrecognised gains or losses on the Company's financial instruments.

Financial risk management

The Company's management monitors and manages the financial risks relating to the operations of the Company. These include foreign currency, interest rate, liquidity and credit risks.

Foreign currency risk

The Company enters into transactions denominated in the C\$, the US dollar, the Euro, the GBP, the Australian dollar, the South African Rand, the Polish Zloty and the Malawian Kwacha. The Company raises its equity in the C\$, and the GBP, and then purchases the US dollar, the Australian dollar, the South African Rand, the Euro, the Polish Zloty and the Malawian Kwacha to settle liabilities. The Company minimises exposure to foreign exchange loss by converting funds to the appropriate currencies upon receipt of funding based on the expected use of the various foreign currencies. The Company's exposure to foreign currency risk as at 30 June 2026 and 31 December 2025, is most significantly influenced by the following cash amounts held in foreign currencies (amounts shown in US dollars):

	30 June 2026	31 December 2025
Cash:		
Canadian Dollar	190,193	295
United States Dollar	103,612	477,604
Pound Sterling	12,404,055	2,267,964
Euro	938,144	311,696
Malawian Kwacha	2,647	849
Australian Dollar	81	79
Polish Zloty	(225)	74
	13,638,507	3,058,561

A 5% reduction in the value of the CAD, Euro, GBP, MWK, PLN and AUD in comparison to the USD would cause a change in net loss of approximately \$676,745 (31 December 2025: \$129,048). The Company's US dollar cash balance of \$103,612 (31 December 2025: \$477,604) is not subject to exchange rate risk.

Interest-rate risk

The Company's exposure to interest-rate risk relates primarily to its cash at bank and to the convertible loan notes; however, the convertible loan notes bear interest at a fixed rate. The interest-rate risk overall is expected to be minimal. The Company does not presently hedge against interest rate movements.

Liquidity risk

Liquidity risk includes the risk that, as a result of the Company's operational liquidity requirements:

- the Company will not have sufficient funds to settle a transaction on the due date;
- the Company will be forced to dispose of financial assets at a value which is less than the fair value; or
- the Company may be unable to settle or recover a financial asset at all.

The Company's operating cash requirements including amounts projected to complete the Company's existing capital expenditure programme are continuously monitored and adjusted as input variables change. As these variables change, liquidity risks may require the Company to conduct equity issuances or obtain other forms of financing. The Company manages its liquidity risk by maintaining adequate cash and is actively seeking additional funding to improve its exposure to liquidity risk. The Company continually monitors its actual and forecast cash flows to ensure that there are adequate reserves to meet the maturing profiles of its financial liabilities.

The following table outlines the maturities of the Company's financial liabilities as at 30 June 2026:

	Contractual Cash Flows	Less than 1 Year	Greater than 1 Year
Accounts payable and accrued liabilities	2,759,945	2,759,945	-
Due to related parties	55,117	55,117	-
Lease liability	1,624,224	178,013	1,446,211
Convertible loan notes	822,113	822,113	
Derivative liability – convertible loan notes	149,157	149,157	

The following table outlines the maturities of the Company's financial liabilities as at 31 December 2025:

	Contractual Cash Flows	Less than 1 Year	Greater than 1 Year
Accounts payable and accrued liabilities	2,321,528	2,321,528	-
Due to related parties	115,509	115,509	-
Lease liability	1,252,179	187,906	1,064,273
Convertible loan note (BCA Note)	458,873	458,873	-
Derivative liability – BCA Note	189,780	189,780	-

Credit risk

The Company's principal financial asset is cash. The credit risk on cash is limited because the majority is deposited with banks with high credit ratings assigned by international credit-rating agencies.

Financial instruments by category

Financial Assets

	Fair value through profit or loss		Amortised cost	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
Financial Assets				
Cash	-	-	13,638,507	3,058,561
Receivables	-	-	335,991	239,333
Due from related parties	-	-	36,866	227,801
Total financial assets	-	-	14,011,364	3,525,695
Financial Liabilities				
Accounts payable and accrued liabilities	-	-	2,759,945	2,321,528
Due to related parties	-	-	55,117	115,509
Finance lease liability	-	-	1,624,224	1,252,179
Convertible loan notes	-	-	822,113	458,873
Derivative liability – investor warrants	8,750,807	10,598,289	-	-
Derivative liability – convertible loan notes	149,157	189,780	-	-
Total financial liabilities	8,899,964	10,788,069	5,261,399	4,148,089

5.11 Liquidity and Capital Resources

Liquidity

As at 30 June 2026 the Company had net current assets of \$1,407,074, compared with net current liabilities of \$10,076,130 at 31 December 2025. The improvement of \$11,483,204 principally reflects the proceeds of the April 2026 Fundraise, together with the \$1,847,482 reduction in the non-cash derivative liability relating to the 21,660,000 investor warrants outstanding at the end of the period, which is explained at Section 5.10 and does not represent a funding requirement.

Excluding the impact of this derivative liability, working capital movements in the period primarily reflect ongoing expenditures on the Company's HyProMag project developments and related corporate costs, as well as adjustments and interest to the derivative liability and convertible loan note liability of the business combination and F-4 agreements of \$189,780 and \$325,1119 respectively, relating to the BCA and F-4 convertible loan notes.

Cash used in operating activities in the half year was \$3,347,147 (H1 2025: \$1,441,982), reflecting increased corporate, SPAC-related and start-up operating costs, and cash used in investing activities was \$1,775,625. As described in Note 2 to the Financial Statements, the Company's recurring losses and negative operating cash flows indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern; the Financial Statements have nevertheless been prepared on a going concern basis, which the Directors consider appropriate after taking into account the current equity position. The Company's principal known cash commitments over the next twelve months, and the resources available to meet them, are set out under Capital resources below.

Capital resources

The Company's committed capital expenditure at 30 June 2026 comprised approximately \$589,499 in respect of specialised equipment for the German operations, being progress payments under signed contracts falling due within twelve months, as set out at Section 5.5.1. The acquisition of the Remloy business completed on 28 August 2026 and the EUR 5 million payable on completion was paid; EUR 3 million remains payable on 28 August 2028, as set out at Section 5.5.3. If the Proposed Business Combination does not complete, the convertible loan notes become payable in cash in the amounts described at Section 5.9.3.

Lease commitments are set out at Section 5.5.2. Management expects to meet these commitments from the Company's cash resources, which were approximately \$13.6 million at 30 June 2026 before the payment of approximately \$5.8 million on completion of the Remloy acquisition.

Expenditure required to maintain the Company's capacity and to fund its planned growth, but not yet committed, includes the scale-up of HyProMag UK, further capital expenditure at the German operations, and the development of the Songwe Hill and Pulawy projects. The initial plant capital cost of the Pulawy Project is estimated at approximately US\$212 million, as set out at Section 2.6. No construction decision has been taken in respect of either project and neither is funded. The Company will require substantial additional financing, which may take the form of equity, debt, project finance, grant funding or strategic partnership, before either project can be developed.

Under the REACT UK project, which runs for three years from 1 April 2026, HyProMag UK's share of project costs is £3.2 million and Mkango UK's is £2.3 million, of which £1.5 million and £1.1 million respectively are grant funded under the DRIVE35 programme. The balance of £1.7 million for HyProMag UK and £1.2 million for Mkango UK is expected to be funded by those companies over the term. Grant funding is recoverable against qualifying expenditure as it is incurred and the companies are not obliged to incur that expenditure, so these amounts are not contractual commitments. HyProMag UK also participates in the PULSE and iBot4CRMs projects on the same basis, with grant funding of £43,000 and €198,000 respectively.

Sources of financing arranged but not yet drawn or fully applied comprise the Project Development Funding Agreement entered into by MKAR with the DFC in September 2025 for \$4.6 million of reimbursable funding for Songwe Hill, drawn against qualifying expenditure and to be matched by MKAR contributions over 18 months; and grant funding awarded in respect of the REACT UK, PULSE, REESilience and GREENE projects, which is recoverable against qualifying expenditure as it is incurred. In addition, HyProMag USA received a letter of interest from the U.S. Export-Import Bank in June 2025 under which EXIM may consider financing of up to \$92 million of the costs of the Texas Hub. A letter of interest is not a commitment to lend and there is no assurance that any financing will be offered or, if offered, accepted. CoTec is responsible for funding the feasibility study and development costs of HyProMag USA.

The Company has funded its activities to date principally through the issue of equity, supplemented by grant funding and, since July 2025, by the convertible loan notes. It expects to continue to rely principally on equity and on grant and institutional funding until the recycling operations generate positive cash flow. Completion of the Proposed Business Combination would be expected to provide MKAR with access to the United States public equity markets; if it does not complete before 31 December 2026, the convertible loan notes fall due for payment in cash as described at Section 5.9.3 and the Company would expect the cost and availability of capital to be adversely affected.

Restrictions on the transfer of funds within the group

The Company holds its recycling interests through Maginito, which is 79.4% owned, and through that company's subsidiaries, in which non-controlling interests are also held. Any distribution by those companies would be shared with the non-controlling shareholders in proportion to their interests and would be subject to the distributing company's own working capital requirements. Cash held in Malawi is subject to exchange control approval on repatriation and to the availability of foreign currency, and the Mine Development Agreement will require 30% of foreign currency sales proceeds to be converted into Kwacha once Songwe Hill is in production. Grant funding received by HyProMag UK, Mkango UK and HyProMag Germany is restricted to the project expenditure for which it was awarded and is repayable if the conditions of the award are not met, as set out at Section 5.5.4. These factors may limit the Company's ability to apply cash held within one part of the group to obligations arising in another.

5.12 Use of Proceeds

On April 10 2026, the Company completed an equity financing for net proceeds of \$15.5 million. The Company intends to use the net proceeds to fund growth opportunities, including the acquisition of the Remloy business in Germany, capital expenditure and feasibility studies relating to the planned expansion of its UK and German operations, and for general working capital purposes. As at 30 June 2026, the Company had applied approximately \$2.9 million of the net proceeds, primarily toward working capital and capital expenditure. Subsequent to the period end, the Company paid the first instalment of approximately \$5.8 million for

the acquisition of the Remloy business. Management has determined that there are no material variances from the intended use of proceeds disclosed at the time of the financing.

5.13 Proposed Transactions

The following transaction had been agreed but not completed as at the date of this MD&A.

Proposed Business Combination

The transaction between MKAR and Crown PropTech Acquisitions remains subject to closing conditions including approval of a Nasdaq listing application, approval by the Company as shareholder of MKAR, approval by the shareholders of CPTK and approval by the TSX Venture Exchange. A registration statement on Form F-4 was filed publicly on 20 May 2026. Amendment No. 1 was filed on 8 June 2026. If the transaction completes, the convertible loan notes convert into equity of MKAR; both were amended on 28 August 2026 as described at Section 5.9.3. The effect on the Company's financial condition, results of operations and cash flows will depend on the terms on which the transaction completes, including the level of redemptions by CPTK shareholders, and cannot presently be quantified.

6 DIRECTORS AND OFFICERS

- William Dawes, Founding Director and Chief Executive Officer
- Alexander Lemon, Founding Director and President (Sustainability Committee)
- Derek Linfield, Non-Executive Chairman of the Board of Directors (Remuneration Committee)
- Shaun Treacy, Non-Executive Director (Audit Committee Chair, Remuneration Committee)
- Susan Muir, Non-Executive Director (Remuneration Committee Chair, Audit Committee, and Corporate Secretary)
- Philipa Varris, Non-Executive Director (Sustainability Committee Chair, Audit Committee, Remuneration Committee)
- Tim Slater, Interim Chief Financial Officer

Robert Sewell resigned as Chief Financial Officer on 13 February 2026 and Tim Slater was appointed Interim Chief Financial Officer.

DEFINED TERMS AND ABBREVIATIONS

The following terms and abbreviations are used in this MD&A. Terms defined in the body of this MD&A have the meanings given to them there.

Entities and counterparties

Mkango	Mkango Resources Ltd., the Company
MKAR	Mkango Rare Earths Limited (formerly Lancaster Exploration Limited), a British Virgin Islands company
MKAR Malawi	Mkango Rare Earths Malawi Limited, a wholly owned subsidiary of MKAR
Maginito	Maginito Limited, a British Virgin Islands company, 79.4% owned by Mkango
Maginito Singapore	Maginito Singapore Private Limited
HyProMag UK	HyProMag Ltd (UK), 100% owned by Maginito
HyProMag Germany	HyProMag GmbH (Germany), 80% owned by HyProMag UK
HyProMag USA	HyProMag USA LLC, a 50/50 joint venture between HyProMag UK and CoTec
Mkango UK	Mkango Rare Earths UK Limited, 100% owned by Maginito
Mkango Polska	Mkango Polska sp. z o.o., the Company's Polish subsidiary
Mkango GmbH	the German subsidiary acquired as an off-the-shelf company, to be renamed Mkango GmbH, which will hold the Remloy assets
Mkango Cayman	Mkango (Cayman) Limited, the merger subsidiary in the Proposed Business Combination
CoTec	CoTec Holdings Corp., which holds a 20.6% interest in Maginito
CPTK	Crown PropTech Acquisitions, a Cayman Islands exempted company
Leominex	Leo Mining and Exploration Ltd., a related party
Remloy	the rare earth magnet recycling business to be acquired from Heraeus Amloy Technologies GmbH
ILS	Intelligent Lifecycle Solutions, HyProMag USA's feedstock and pre-processing partner
UoB	the University of Birmingham
DFC	the U.S. International Development Finance Corporation
EXIM	the Export-Import Bank of the United States
MEPA	the Malawi Environmental Protection Agency
Grupa Azoty PULAWY	Grupa Azoty Zakłady Azotowe Pulawy S.A., listed on the Warsaw Stock Exchange, counterparty to the Pulawy site lease option
EMR	EMR Group Limited, a metals recycling group and REACT UK project partner
Inserma	Inserma Anolia S.L., supplier of the automated pre-processing units
Hannam	Hannam & Partners, Joint Broker and corporate sponsored research provider
MMG	the Magnetic Materials Group at the University of Birmingham
APC	the Advanced Propulsion Centre UK
Board	the board of directors of the Company
Cavendish	Cavendish Capital Markets Limited — a full-service investment bank and advisory firm headquartered in London
Adamas Intelligence	Adamas Intelligence Inc — an independent market research firm

Projects and sites

Songwe	the Songwe Hill Rare Earths Project, Malawi
Pulawy	the proposed Pulawy Rare Earths Separation Plant, Poland (Polish: Pulawy)
Texas Hub	the HyProMag USA rare earth magnet recycling and manufacturing hub near Dallas-Fort Worth, Texas

TEP Birmingham	Tyseley Energy Park, Birmingham
Tyseley Plant	the rare earth magnet recycling and manufacturing plant at Tyseley, of which HyProMag UK is the primary industrial user and operator
Pforzheim Plant	the HyProMag Germany rare earth magnet recycling and manufacturing plant at Pforzheim, Germany
Bitterfeld Plant	the rare earth magnet recycling plant at Bitterfeld, Germany, the subject of the Remloy acquisition
Phalombe Licences	the retention licences in Malawi holding Songwe Hill and Nkalanje Hill; four will remain following the expected expiry of seven on 30 May 2026
REEsilience	the EU-funded REEsilience rare earth supply chain project
GREENE	the EU-funded GREENE grant project in which HyProMag Germany participates

The Proposed Business Combination and financing

BCA	the business combination agreement dated 2 July 2025, as amended on 13 February 2026 and 20 May 2026
BCA Note	Convertible promissory note with a principal of US\$500,000, issued to the BCA Note Investor upon execution of the BCA (subject to TSX-V approval)
Proposed Business Combination	the transactions contemplated by the BCA
F-4 Note	Convertible promissory note with a principal of US\$250,000, issued to the F-4 Note Investor upon filing of the Form F-4 registration statement with the SEC
Form F-4	the registration statement filed with the SEC on 20 May 2026
SEC	the U.S. Securities and Exchange Commission
SPAC	special purpose acquisition company
PIPE	private investment in public equity
LOI	letter of interest
MMIA	Make More in America, an EXIM initiative
Fundraise	the equity placing completed in April 2026
Common Shares	common shares of no par value in the capital of the Company
Financial Statements	the unaudited condensed interim consolidated financial statements of the Company for the six months ended 30 June 2026
Filings	the Financial Statements and this MD&A together
Lease Option Agreement	the exclusive lease option agreement between Grupa Azoty PULAWY and Mkango Polska in respect of the Pulawy plant site, and the underlying lease effective 31 January 2025 to 31 January 2055

Technical terms

NdFeB	neodymium-iron-boron, the magnet alloy
HPMS	Hydrogen Processing of Magnet Scrap, HyProMag's short-loop recycling process
HDD	hard disk drive
TREO	total rare earth oxides
MREC	mixed rare earth carbonate
REO	rare earth oxide
NdPr	neodymium-praseodymium
tpa	tonnes per annum
PCF	product carbon footprint

Studies and economic measures

PFS	pre-feasibility study
FEED	front-end engineering and design
AACE	the Association for the Advancement of Cost Engineering, whose classes denote estimate confidence
NPV	net present value
IRR	internal rate of return
QP	qualified person, as defined in NI 43-101
ESHIA	environmental, social and health impact assessment
Songwe DFS	the technical report under National Instrument 43-101 in relation to the definitive feasibility study for Songwe, announced 19 March 2026 and filed 1 May 2026
Feasibility Study	The Definitive Feasibility Study (DFS) for the Songwe Hill Rare Earths Project which assesses metallurgical recoveries, mixed rare earth carbonate (MREC) composition, and economics (e.g., NPV, IRR, payback period) for the Songwe Hill mine.
MDA	the Mine Development Agreement between MKAR, MKAR Malawi and the Government of Malawi. Not to be confused with this MD&A
REACT UK	Rare Earth Automotive Circular Technologies for the UK, a DRIVE35 collaborative project
PULSE	Power-Electronics Upscale for Localisation and Sustainable Electrification, an APC part-funded project
RaRE	the Rare-Earth Recycling for E-Machines project
SCREAM	the Sustainable Critical Rare Earth and Advanced Magnet project

Regulatory and reporting

NI 43-101	National Instrument 43-101 - Standards of Disclosure for Mineral Projects
NI 51-102	National Instrument 51-102 - Continuous Disclosure Obligations
NI 52-109	National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings
NI 52-112	National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure
CBO 51-933	Coordinated Blanket Order 51-933 – <i>Exemptions to Permit Semi-Annual Reporting for Certain Venture Issuers.</i>
IFRS	International Financial Reporting Standards
IASB	the International Accounting Standards Board
IFRIC	the International Financial Reporting Interpretations Committee
CRMA	the European Union Critical Raw Materials Act
AIM	the AIM Market of the London Stock Exchange
TSX-V	the TSX Venture Exchange
RSU	restricted share unit
MD&A	this management's discussion and analysis
BVI	the British Virgin Islands
ESTMA	the Extractive Sector Transparency Measures Act (Canada)
EITI	the Extractive Industries Transparency Initiative
MMRA	the Malawi Mining Regulatory Authority