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BAKER STEEL RESOURCES TRUST LIMITED

(Incorporated in Guernsey with registered number 51576 under the provisions of The Companies (Guernsey) Law, 2008 as amended)

9 May 2025

Strategic Investor Financing and Potential Transaction in Futura Resources ("Futura")

On 9 May 2025, Futura and International Resources Holdings RSC LTD ("IRH") completed an agreement for a US 15m loan to Futura. IRH is a mine-to-market company headquartered in Abu Dhabi, United Arab Emirates, that invests in diverse metals and minerals and operates across the entire mining value chain. During April 2025, the Company provided a A 1.4 million bridging loan to Futura enabling completion of the IRH financing.

Separately, the Company and other Futura shareholders, representing in excess of 50.1% of the fully diluted share capital of Futura, have signed option agreements giving IRH the right to acquire their respective shares at A 3.15 per Futura share within 9 months, which would value Futura at an Enterprise Value (EV) of some A 250 million. The A 3.15 price per share compares with the Company's current carrying value of A 2.21 per share and its acquisition price of A 1 per share. This transaction does not affect the Company's 1.5% Gross Revenue Royalty over production from Futura's mines.

Following a A 30 million financing package in September 2023, Futura successfully commissioned its Wilton open pit mine in Queensland, Australia with first coal delivered to the Gregory Crinum wash plant in February 2024. Run of Mine production ("ROM") was ramped up to full planned rates of 80,000 tonnes per month by Q3 2024.

In July 2024, Futura secured US 24m (A 36.4m) in an offtake financing arrangement with a major trading company, which has since funded the development of Futura's second mine, the Fairhill mine, located immediately to the North of Wilton. Futura moved on to the Fairhill property in December 2024, and first coal was mined in April 2025, and the first shipment to the Gregory Crinum wash plant made in May 2025. The Run of Mine production is planned to be ramped up to a rate of around 145,000 tonnes per month during the third quarter of 2025. ROM production from the combined mines is expected to be around 2.1Mt in 2025, building to 4Mtpa by 2030 based on the current mine plan. Saleable product coal in CY 2025, is expected to be 0.9 Mt increasing to 1.9Mtpa by 2030.

The coking coal market remains subdued due primarily to on-going economic weakness in China which is the world's largest steel producer. Coking coal prices declined during 2024, from around US 320 per tonne at the end of 2023, to around US 200 per tonne at December 2024, slightly below long-term consensus prices of US 200-225 per tonne. Since then, coking coal prices have deteriorated further to lows of around US 170/tonne. This has put considerable financial strain on the entire metallurgical coal industry to which Futura is not immune, particularly during its ramp up stage. Futura has, therefore, sought additional working capital whilst Fairhill moves towards full production.

Despite heightened uncertainty in commodity markets resulting from the trade tariff war, the Futura management team views the current weakness in the coking coal market as a short-term setback. They do not believe it will alter the longer-term positive outlook, with medium-term supply constraints balanced by expected strong demand increases anticipated for seaborne imports, most notably from India.

At this stage the Company has not revalued its shareholding in Futura pending IRH making a binding offer for all of Futura. In

the absence of a firm offer in the meantime, we will review the valuation at 30 June 2025 taking into account the status of the potential offer from IRH as well as the market valuations of comparable coking coal companies, consistent with our approach to our unlisted holdings.

Trevor Steel, Chief Investment Officer of the Investment Manager, Baker Steel Capital Managers LLP commented:

"Whilst it is uncertain at this stage as to whether IRH will exercise their option to acquire the Company's shares in Futura, we are pleased to note the high level of interest in consolidation of the coking coal sector in Australia, in which Futura can potentially participate. This underlines the potential for your Company to realise attractive returns from this asset."

Further details of the Company and its investments are available on the Baker Steel Capital Managers website www.bakersteelcap.com

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The Net Asset Value ("NAV") figure stated is based on unaudited estimated valuations of the underlying investments and not necessarily based on observable inputs. Such estimates are not subject to any independent verification or other due diligence and may not comply with generally accepted accounting practices or other generally accepted valuation principles. In addition, some estimated valuations are based on the latest available information which may relate to some time before the date set out above.

Accordingly, no reliance should be placed on such estimated valuations and they should only be taken as an indicative guide. Other risk factors which may be relevant to the NAV figure are set out in the Company's Prospectus dated 26 January 2015.

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