

Harena Rare Earths PLC

Consolidated Interim Financial Statements

**For the six-month period
ended 31 December 2025**

Harena Rare Earths PLC

Table of Contents

Interim Management Report	1-2
Responsibility Statement of the Directors in respect of the Interim Management Report.....	3
Condensed Consolidated Statement of Comprehensive Income.....	4
Condensed Consolidated Statement of Financial Position	5
Condensed Consolidated Statement of Changes in Equity	6-7
Condensed Consolidated Statement of Cash Flows	8
Notes to the Financial Statements.....	9-17

Harena Rare Earths PLC

Interim Management Report for the period ended 31 December 2025

This report covers the period 1 July 2025 to 31 December 2025, and subsequent events to 20 March 2026.

Principal Activities

Harena Rare Earths PLC (the "Company") and its subsidiaries (together the "Group") are focused on the development of the Ampasindava Rare Earth Project (the "Project") in Northern Madagascar, comprising a 100% interest in an ionic clay rare earth deposit with a JORC 2012 compliant Mineral Resource Estimate of 606,000 tonnes of Total Rare Earth Oxide (TREO).

Review of Business During the Period

During the six-month period ended 31 December 2025, the Group continued to advance the Project through technical studies and regulatory engagement with the Government of Madagascar.

The Group continued work on the Pre-Feasibility Study (PFS) throughout the period, working with leading global engineering group SGS Canada Inc on technical inputs including process design, capital and operating cost estimates, and an update to the Mineral Resource Estimate. The PFS was substantially completed by period end, with results announced subsequently on 26 January 2026.

In August 2025, the Company completed the acquisition of the remaining 25% interest in the Ampasindava Project, bringing the Group's ownership to 100%. The transaction simplified the Group's ownership structure and eliminated the non-controlling interest.

Madagascar experienced a political transition in October 2025 with the establishment of a transitional military government. The Company continued its engagement with the Bureau du Cadastre Minier de Madagascar (BCMM) regarding the technical conversion of exploration licence PR6698 to an exploitation licence (PE), and with the Office National de l'Environnement (ONE) on Environmental and Social Impact Assessment requirements.

The Company raised further equity finance during the period to advance the Ampasindava Project, including completion of the Pre-Feasibility Study and environmental and social workstreams. This was completed in August 2025, raising gross funds of £1,231,500.

In October 2025, the Company announced a subscription by existing shareholder RAB Capital, raising a further £450,000. The subscription was conditional upon renewal of the directors' authority to allot shares and compliance with the Prospectus Rules. The shares were issued in January 2026 following satisfaction of these conditions.

In September 2025, the Company announced its intention to cross-trade its ordinary shares on the OTCQB Venture Market to provide access to U.S. investors. The Company's shares commenced cross-trading on the OTCQB in November 2025 under the ticker symbol CRMNF.

Financial Results

The Group recorded a net loss of £3,160,526 for the period (2024: £656,429), primarily driven by administrative expenses of £3,070,175 (2024: £301,897), and finance costs of £63,663 (2024: £373,045).

At 31 December 2025, the Group held cash of £599,567 (2024: £8,418) and the carrying value of exploration and evaluation assets was £1,659,037 (2024: £1,821,553).

Based on the cash flow forecast to 31 March 2028, as prepared by management, which incorporates the post-period fundraise, and the discretionary nature of significant expenditure, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in operation for at least twelve months from the date of approval of these interim financial statements and therefore continue to adopt the going concern basis.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Group are consistent with those disclosed in the Annual Report for the year ended 30 June 2025 (pages 6-8), comprising:

- Development and execution risk including technical challenges and achieving production targets;
- Financing risk, given the capital required for development and construction;
- Political and regulatory risk in Madagascar;
- Commodity price volatility for rare earth elements;
- Resource estimation and mine planning risk; and

Harena Rare Earths PLC

Interim Management Report for the period ended 31 December 2025 (continued)

- Operating, environmental and social risks.

Related Party Transactions

During the period, the Directors received aggregate remuneration of £180,282 (2024: £112,386). Details are provided in note 5 to the consolidated interim financial statements. See note 13 for other material related party transactions.

Events After the Reporting Period

For events occurring after 31 December 2025, please refer to note 14.

On behalf of the Board

Ivan Murphy
Executive Chairman
20 March 2026

Harena Rare Earths PLC

Responsibility Statement of the Directors in respect of the Interim Report for the period ended 31 December 2025

The Directors are responsible for preparing the Interim Financial Statements in accordance with applicable law and regulations. In addition, the Directors have elected to prepare the Interim Financial Statements in accordance with IAS 34 Interim Financial Reporting accounting standard, as adopted by the United Kingdom.

The Interim Financial Statements are required to give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing these Interim Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- present information and make judgements that are reasonable, prudent and provides relevant, comparable, understandable information;
- state whether applicable UK-adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the interim financial statements; and
- make an assessment of the Group's ability to continue as a going concern and prepare the interim financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. The Directors are responsible for taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Interim Financial Statements. Legislation governing the preparation and dissemination of Interim Financial Statements may differ from one jurisdiction to another.

We confirm that to the best of our knowledge:

- the Interim Financial Statements, prepared in accordance with UK-adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group for the period;
- the Interim Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that they face; and
- the Interim Management Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's performance, business model and strategy.

Harena Rare Earths PLC

Condensed Consolidated Statement of Comprehensive Income for the six-month period ended 31 December 2025

	Notes	6 months ended 31 December 2025 (Unaudited) £	6 months ended 31 December 2024 (Unaudited) £	12 months ended 30 June 2025 (Audited) £
Administrative fees and other expenses	4	(3,070,175)	(301,897)	(3,330,754)
Operating loss		(3,070,175)	(301,897)	(3,330,754)
Finance income		14	22	112
Listing costs		-	-	(10,321,369)
Finance costs		(63,663)	(373,045)	(535,277)
Loss before tax		(3,133,824)	(674,920)	(14,187,288)
Income tax		-	-	-
Loss after tax attributable to owners of the parent		(3,133,824)	(674,920)	(14,187,288)
Other comprehensive income				
Items that may be reclassified to profit or loss:				
Exchange differences on translation of foreign operations		(26,702)	18,491	48,777
Other comprehensive (loss)/income, net of tax		(26,702)	18,491	48,777
Total comprehensive loss for the period		(3,160,526)	(656,429)	(14,138,511)
Total comprehensive loss attributable to owners of Harena Rare Earths PLC		(3,160,526)	(656,429)	(14,138,511)
Total comprehensive loss attributable to non-controlling interests		-	-	-
Total comprehensive loss for the period		(3,160,526)	(656,429)	(14,138,511)
Basic and diluted loss per share (pence)	7	(1.69)	(0.57)	(10.78)

The accompanying notes on pages 9 to 17 form an integral part of the financial statements.

Harena Rare Earths PLC

Condensed Consolidated Statement of Financial Position as at 31 December 2025

	Notes	31 December 2025 (Unaudited) £	31 December 2024 (Unaudited) £	30 June 2025 (Audited) £
Non-current assets				
Other intangible asset	6	1,659,037	1,821,553	1,875,768
Total non-current assets		1,659,037	1,821,553	1,875,768
Current assets				
Trade and other receivables	8	117,827	45,233	196,289
Cash and cash equivalents		599,567	8,418	28,425
Total current assets		717,394	53,651	224,714
Total assets		2,376,431	1,875,204	2,100,482
Current liabilities				
Trade and other payables	9	927,839	1,487,399	612,314
Total current liabilities		927,839	1,487,399	612,314
Non-current liabilities				
Loan note liability	10	635,682	-	572,937
Convertible loan note	10	-	2,471,406	-
Total non-current liabilities		635,682	2,471,406	572,937
Total liabilities		1,563,521	3,958,805	1,185,251
Net assets/(liabilities)		812,910	(2,083,601)	915,231
Equity				
Share capital	11	2,777,255	610,745	2,033,422
Share premium (restated)	11,12	3,622,951	-	1,285,724
Treasury shares		-	-	36,000
Share option and warrant reserve		1,513,330	-	922,324
Share based payment reserve		1,542,203	-	1,831,310
Translation reserve		(3,523)	(7,107)	23,179
Retained earnings		(9,360,723)	(3,171,050)	(6,284,822)
Reserve acquisition reserve		(7,611,916)	-	(7,611,916)
Merger reserve (restated)	12	8,333,333	-	8,333,333
Non-controlling Interest		-	346,677	346,677
Pre-acquisition reserve		-	137,134	-
Total equity		812,910	(2,083,601)	915,231

The accompanying notes on pages 9 to 17 form an integral part of the financial statements.

Harena Rare Earths PLC

Condensed Consolidated Statement of Changes in Equity for the period ended 31 December 2025

	Share capital	Share premium	Treasury shares	Share option & warrant reserve	Share based payment reserve	Translation reserve	Reverse acquisition reserve	Merger reserve (restated)	Pre-acquisition reserve	Retained earnings	Total Equity of owners	Non-controlling interest	Total equity
	£	£	£	£	£	£	£	£	£	£	£	£	£
Balance as at 30 June 2024	548,538	-	-	-	-	(25,598)	-	-	137,134	(2,637,950)	(1,977,876)	346,677	(1,631,199)
Loss for the period	-	-	-	-	-	-	-	-	-	(674,920)	(674,920)	-	(674,920)
Exchange differences on translation of foreign operations	(70,923)	-	-	-	-	18,491	-	-	-	141,820	89,388	-	89,388
Total comprehensive loss	(70,923)	-	-	-	-	18,491	-	-	-	(533,100)	(585,532)	-	(585,532)
Shares issued	133,130	-	-	-	-	-	-	-	-	-	133,130	-	133,130
Balance as at 31 December 2024	610,745	-	-	-	-	(7,107)	-	-	137,134	(3,171,050)	(2,430,278)	346,677	(2,083,601)
Loss for the period	-	-	-	-	-	-	-	-	-	(13,512,368)	(13,512,368)	-	(13,512,368)
Exchange differences on translation of foreign operations	-	-	-	-	-	30,286	-	-	-	-	30,286	-	30,286
Total comprehensive loss	-	-	-	-	-	30,286	-	-	-	(13,512,368)	(13,482,082)	-	(13,482,082)
Transactions with owners													
New shares issued (note 11)	1,817,172	412,367	36,000	-	-	-	-	8,333,333	-	-	10,598,872	-	10,598,872
FV adjustment (note 11)	-	(35,940)	-	-	-	-	-	-	-	-	(35,940)	-	(35,940)
Share issue costs (note 11)	-	(12,500)	-	-	-	-	-	-	-	-	(12,500)	-	(12,500)
Share based payment charge	-	-	-	922,324	1,831,310	-	-	-	-	-	2,753,634	-	2,753,634
Settlement of subsidiary loan notes	-	-	-	-	-	-	-	-	3,044,105	-	3,044,105	-	3,044,105
Reverse acquisition adjustments	(394,495)	921,797	-	-	-	-	(7,611,916)	-	(3,181,239)	10,398,596	132,743	-	132,743
Total transactions with owners	1,422,677	1,285,724	36,000	922,324	1,831,310	-	(7,611,916)	8,333,333	(137,134)	10,398,596	16,480,914	-	16,480,914
Restated balance as at 30 June 2025 (note 12)	2,033,422	1,285,724	36,000	922,324	1,831,310	23,179	(7,611,916)	8,333,333	-	(6,284,822)	568,554	346,677	915,231

Harena Rare Earths PLC

Condensed Consolidated Statement of Changes in Equity for the period ended 31 December 2025 (continued)

	Share capital	Share premium	Treasury shares	Share option & warrant reserve	Share based payment reserve	Translation reserve	Reverse acquisition reserve	Merger reserve	Pre-acquisition reserve	Retained earnings	Total Equity of owners	Non-controlling interest	Total equity
	£	£	£	£	£	£	£	£	£	£	£	£	£
Restated balance as at 30 June 2025 (note 12)	2,033,422	1,285,724	36,000	922,324	1,831,310	23,179	(7,611,916)	8,333,333	-	(6,284,822)	568,554	346,677	915,231
Loss for the period	-	-	-	-	-	-	-	-	-	(3,133,824)	(3,133,824)	-	(3,133,824)
Exchange differences on translation of foreign operations	-	-	-	-	-	(26,702)	-	-	-	-	(26,702)	-	(26,702)
Total comprehensive loss	-	-	-	-	-	(26,702)	-	-	-	(3,133,824)	(3,160,526)	-	(3,160,526)
Transactions with owners													
New shares issued (note 11)	743,833	2,487,667	-	-	-	-	-	-	-	-	3,231,500	-	3,231,500
Share issue costs (note 11)	-	(150,440)	-	-	-	-	-	-	-	-	(150,440)	-	(150,440)
Settlement of treasury shares	-	-	(36,000)	-	-	-	-	-	-	57,923	21,923	-	21,923
Share based payment charge	-	-	-	591,006	(289,107)	-	-	-	-	-	301,899	-	301,899
Removal of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(346,677)	(346,677)
Total transactions with owners	743,833	2,337,227	(36,000)	591,006	(289,107)	-	-	-	-	57,923	3,404,882	(346,677)	3,058,205
Balance as at 31 December 2025	2,777,255	3,622,951	-	1,513,330	1,542,203	(3,523)	(7,611,916)	8,333,333	-	(9,360,723)	812,910	-	812,910

The accompanying notes on pages 9 to 17 form an integral part of the financial statements.

Harena Rare Earths PLC

Condensed Consolidated Statement of Cash Flows for the period ended 31 December 2025

	Notes	6 month period ended 31 December 2025 (Unaudited) £	6 month period ended 31 December 2024 (Unaudited) £	12 month period ended 30 June 2025 (Audited) £
Operating activities				
Loss after tax		(3,133,824)	(674,920)	(14,187,288)
<i>Adjustments for:</i>				
Finance costs		63,663	373,045	535,277
Share based payment expense		2,301,900	58,884	2,125,220
Listing costs		-	-	10,321,369
Fee warrants issued in exchange for costs		-	-	1,119,030
<i>Changes in working capital:</i>				
Decrease/(increase) in trade and other receivables	8	78,462	(4,307)	(155,363)
(Decrease)/increase in trade and other payables	9	(134,475)	501,288	19,352
Net cash (outflow)/inflow from operating activities		(824,274)	253,990	(222,403)
Cash flow from investing activities				
Investment in exploration assets	6	(45,077)	(35,949)	(151,637)
Net cash outflow from investing activities		(45,077)	(35,949)	(151,637)
Cash flow from financing activities				
Proceeds from shares issued	11	1,231,500	133,130	80,311
Share issue cost	11	(150,440)	-	-
Finance costs		(1,505)	(405,398)	(524,790)
Convertible loan notes issued		-	25,602	-
Convertible loan notes redeemed		-	(26,890)	-
Loan note proceeds	10	-	-	752,725
Proceeds received in advance of shares issued	9	450,000	-	-
Interest and line fees repaid on loan note	10	(62,038)	-	-
Net cash inflow/(outflow) from financing activities		1,467,517	(273,556)	308,246
Increase/(decrease) in cash and cash equivalents		598,166	(55,515)	(65,794)
Cash and cash equivalents as at the beginning of the period		28,425	45,442	45,442
Foreign exchange on cash and cash equivalent		(27,024)	18,491	48,777
Cash and cash equivalents at the end of period		599,567	8,418	28,425

The accompanying notes on pages 9 to 17 form an integral part of the financial statements.

Harena Rare Earths PLC

Notes to the Financial Statements for the period ended 31 December 2025

1. General

Harena Rare Earths PLC (the “Company”) is a public limited company, on the London Stock Exchange, limited by shares incorporated and registered in England and Wales on 15 April 2020, with a registered company number 12557958. The registered office is 167-169 Great Portland Street, Fifth Floor, London, W1W 5PF.

On 18 November 2025, the Company listed on the OTCQB Venture Market in the United States thereby giving United States investors the opportunity to invest in the Company.

The Consolidated Interim Financial Statements of the Company for the six-month period ended 31 December 2025 comprise the financial statements of the Company and its subsidiaries (together referred to as the “Group”).

The figures for the six months ended 31 December 2025 and 31 December 2024 are unaudited and do not constitute full accounts. The comparative figures for the year ended 30 June 2025 are extracts from the annual report.

2. Accounting Policies

2.1 Basis of preparation

The condensed consolidated financial statements for the six months ended 31 December 2025 have been prepared in accordance with UK-adopted IAS 34 *Interim Financial Reporting*, are unaudited, and do not include all of the information required for full annual financial statements.

They should be read in conjunction with the Company’s annual financial statements for the year ended 30 June 2025. The principal accounting policies applied in the preparation of the condensed consolidated financial statements are consistent with those contained in the Group’s last Annual Report for the year ended 30 June 2025. These policies have been consistently applied to each of the periods presented.

The financial information of the Group is presented in British Pound Sterling (“£”), which is the Company’s functional currency. All amounts have been rounded to the nearest pound, unless otherwise stated.

2.2 Basis of Consolidation

The condensed consolidated interim financial statements comprise the financial statements of the Company and its subsidiaries. For accounting purposes, Harena Resources Pty Ltd is deemed to have acquired the Company, as described in note 2.3.

All intra-group balances, transactions, income and expenses, profits and losses, and unrealised profits and losses resulting from intra-group transactions, are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. See note 3 for information on the consolidation of Harena Rare Earths PLC.

2.3 Comparative figures

In accordance with the reverse acquisition accounting policy, whereby Harena Resources Pty Ltd is treated as the accounting acquirer, the comparative figures for 31 December 2024 are those of the Harena Resources Pty Ltd group and, being prior to the reverse acquisition, do not include the results of the Company. The 12-month comparative figures are those for the audited 12-month period to 30 June 2025, comprising Harena Resources Pty Limited to the date of the reverse acquisition and the consolidated figures of the Company and Harena Resources Pty Ltd thereafter.

The Harena Resources Pty Ltd financial statements have been translated to Pound Sterling in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*. This standard requires assets and liabilities to be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period). The foreign exchange differences on translation of Harena Resources Pty Ltd are recognised in other comprehensive income.

Harena Rare Earths PLC

Notes to the Financial Statements for the period ended 31 December 2025

2.4 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those included in the Annual Report for the year ended 30 June 2025. New standards and amendments to UK-adopted International Accounting Standards effective for the financial reporting period have been reviewed by the Group, and there has been no material impact on the financial statements as a result of these standards and amendments. The Group has not early adopted any amendment, standard or interpretation that has been issued but is not yet effective.

2.5 Going concern

The Directors have prepared a cash flow forecast for the period to 31 March 2028.

The Group is pre-revenue and relies on external funding to finance operations and development activities. At 31 December 2025, the Group held cash of £599,567. During the period the Group raised £1,231,500 in August 2025 and a further £450,000 through a subscription from RAB Capital in October 2025 (shares issued January 2026). Post period end, in February 2026 the Group raised a further £2,000,000 through a subscription from a prominent international investor.

The forecast indicates that additional funding may be required in late 2026 or early 2027 to meet ongoing liabilities as they fall due and to continue planned development activities. The Directors are pursuing funding initiatives including Project Development Funding from the DFC (the US International Development Finance Corporation) and have demonstrated the Group's ability to raise capital through multiple successful fundraisings since completion of the RTO in March 2025. Should funding not be secured as anticipated, mitigating actions including cost reductions and expenditure deferrals have been identified.

The forecast considers expected corporate administration and listing costs, planned development activities in Madagascar, and known obligations including the loan note liability (outstanding principal and accrued interest of £779,682 at 31 December 2025).

Positive developments supporting the Directors' assessment include: completion of the Pre-Feasibility Study (January 2026, post-period) demonstrating strong project economics; the RAB Capital investment and February 2026 subscription evidencing continued investor support; appointment of Marex and SP Angel as advisers (January 2026); and the lifting of Madagascar's mining permit moratorium (January 2026).

While these matters represent a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern, the Directors have a reasonable expectation that the Company and the Group will secure the necessary funding for the foreseeable future and will be able to meet their ongoing liabilities as they fall due for at least twelve months from the date of approval of these Consolidated Interim Financial Statements. The Directors have therefore concluded that it is appropriate to prepare the interim financial statements on a going concern basis.

2.6 Future changes in accounting policies

The Directors have reviewed the IFRS standards in issue which are effective for annual accounting periods ending on or after the stated effective date. In their view, none of these standards would have a material impact on the financial reporting of the Group.

2.7 Segment reporting and cyclicity

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The Directors are of the opinion that the Group is engaged in a single segment of business being the development of the 100% owned Ampasindava Rare Earth Element (REE) Project (the "Project") in Northern Madagascar.

The interim results for the six months ended 31 December 2025 are not necessarily indicative of the results to be expected for the full year ending 30 June 2026. Due to the nature of the entity, the operations are not affected by seasonal variations at this stage.

Harena Rare Earths PLC

Notes to the Financial Statements for the period ended 31 December 2025

3. Critical accounting estimates and judgments

In preparing the condensed consolidated interim financial statements, the Directors are required to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, may not accurately reflect the related actual outcome. There are no key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.1 Going concern

In their assessment of going concern, the Directors have reviewed the Group's ongoing activities including its future intentions in respect of capital fund raising and the risks involved in the development of the Project. The Directors were required to make estimates and judgements over future cash flows and funding. For further information about the Group's going concern, please see note 2.5.

3.2 Impairment of non-current assets – exploration and evaluation costs

Exploration and evaluation costs have a carrying value as at 31 December 2025 of £1,659,037 (2024: £1,821,553). The Directors have assessed the asset for impairment in accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources* and concluded that no impairment is required. No indicators of impairment have been identified.

The Ampasindava Project's exploration licence remains valid and is in the process of being converted to an exploitation licence. The Group has detailed plans for continued development expenditure including the Pre-Feasibility Study (completed January 2026, post-period) and a planned Proof of Concept demonstration plant.

The PFS confirmed strong project economics with a post-tax NPV of US\$249.6 million, demonstrating that the carrying amount is recoverable. An updated JORC 2012 compliant Mineral Resource Estimate supports the Project's technical viability.

3.3 Share-based payments

During the period the Company issued warrants. The valuation of these involved making a number of critical estimates relating to the price volatility, expected life of the warrants and options, and interest rates.

The expense charged to the Condensed Consolidated Statement of Comprehensive Income during the period was £2,301,900 and relates to:

- i) warrants expense of £467,548 (2024: £Nil);
- ii) share options expense of £123,459 (2024: £Nil);
- iii) the fair value expense of the performance fees, to be issued on the success of converting the exploration licence to an exploitation licence, of £981,333 (2024: £Nil); and
- iv) the fair value expense of the 66,666,666 performance shares, issued for the successful acquisition of 100% ownership of the Ampasindava Project, of £729,560 (2024: £Nil).

As at 31 December 2025, 66,666,666 performance shares remain unissued. These are conditional upon the conversion of the existing exploration license to an exploitation licence and have been recognised as a share-based payment expense in accordance with IFRS 2 based on their estimated fair value expense and probability of vesting.

Harena Rare Earths PLC

Notes to the Financial Statements for the period ended 31 December 2025

4. Administrative fee and other expenses

	6 month period ended 31 December 2025 (Unaudited) £	6 month period ended 31 December 2024 (Unaudited) £	12 month period ended 30 June 2025 (Audited) £
Share based payment expense	2,178,441	58,884	1,809,107
Directors' remuneration (note 5)	180,282	112,386	229,234
Professional fees	218,609	60,962	551,315
Audit fees	140,590	1,550	84,441
Share options and warrants expense	123,459	-	316,113
Administration fees	109,013	17,455	63,826
Investor relations	52,917	27,800	65,041
Wages and salaries	44,281	-	-
Travel and entertainment	31,993	-	-
Marketing	19,863	-	10,986
CFO and Company Secretary	10,278	19,970	39,304
Sundry expenses	3,688	2,890	21,932
Failed RTO costs	-	-	124,740
Exchange rate variance	(43,239)	-	14,715
Total	3,070,175	301,897	3,330,754

The share based payment expense includes:

- i) £179,548 for the fair value expense of the 40,000,000 performance warrants issued to Ivan Murphy and Paul Richards at 31 December 2025;
- ii) £288,000 for the fair value expense of the 40,000,000 fee warrants issued to Ivan Murphy and Paul Richards for their services during the successful placing in early August 2025;
- iii) £729,560 expense for the 66,666,666 performance shares issued as a result of obtaining 100% ownership of the Ampasindava Project; and
- iv) £981,333 for the fair value expense of the remaining 66,666,666 performance shares to be issued once the exploitation licence has been obtained.

5. Directors' remuneration

	6 month period ended 31 December 2025 (Unaudited) £	6 month period ended 31 December 2024 ¹ (Unaudited) £	12 month period ended 30 June 2025 ² (Audited) £
Ivan Bowen Murphy	51,000	-	-
Andrew Paul Richards	11,700	-	-
Allan Ewald Mulligan	57,533	15,361	46,440
Stephen Robert Weir	6,158	-	1,500
Timothy Morrison	-	4,096	4,030
Cameron Pearce	30,000	18,000	42,000
Sam Delevan Quinn	23,891	-	4,984
Daniel Rootes	-	3,000	5,826
Winton Willesee	-	3,000	5,000
Joseph Charles Belladonna	-	79,494	143,347
Phillipa Legatt	-	13,434	19,933
Total	180,282	136,385	273,060

1. Cameron Pearce, Daniel Rootes and Winton Willesee's directors' fees relate to their directorships in Harena Rare Earths PLC for the six-month period ended 31 December 2024. They were not directors of Harena Resources Pty Ltd, and therefore make up the difference from note 4.

Harena Rare Earths PLC

Notes to the Financial Statements for the period ended 31 December 2025

2. The figures reported in the period ended 30 June 2025 column represent director's remuneration for the Harena Rare Earths PLC's 14-month reporting period and Harena Australia Pty Ltd.'s 12-month reporting period. The Directors consider that this presentation provides the most meaningful comparison across the periods presented.

During the period ended 31 December 2025, Paul Richards and Ivan Murphy were issued 12,000,000 and 28,000,000 fee warrants, respectively, for their services contributing to the successful fund raising during the share placing in early August 2025. £86,400 and £201,600, respectively, has been recognised in share based payments for the value of these warrants.

Cameron Pearce and Sam Quinn's directors' fees for the period are made up of the below:

	Cameron Pearce £	Sam Quinn £
Directors' fees to 31 July 2025	3,000	1,500
Settlement costs as a result of contract termination	27,000	19,500
Total	30,000	21,000

6. Other intangible assets

For the period ended 31 December 2025 intangible assets represent capitalised costs associated with the exploration, and evaluation of mineral resources of the Ampasindava Ionic Clay Rare Earth Project, the Group's only project.

	Exploration and evaluation assets £
Cost and carrying value as at 30 June 2024 (Audited)	1,905,744
Additions	35,949
Exchange difference	(120,140)
Cost and carrying value as at 31 December 2024 (Unaudited)	1,821,553
Additions	115,688
Exchange difference	(61,473)
Cost and carrying value as at 30 June 2025 (Audited)	1,875,768
Additions	45,077
Exchange differences	(261,808)
Cost and carrying value at 31 December 2025 (Unaudited)	1,659,037

The exploration and evaluation assets included above are in respect of the Ampasindava Project only.

7. Loss per share

The calculation of the basic and diluted loss per share is based on the following data:

	31 December 2025 (Unaudited)	31 December 2024 (Unaudited)	30 June 2025 (Audited)
Earnings			
Loss from continuing operations for the period attributable to the equity holders of the Company (£)	(3,160,526)	(656,429)	(14,138,511)
Number of shares			
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	186,471,311	114,745,924	131,157,795
Basic and diluted loss per share (pence)	(1.69)	(0.57)	(10.78)

Harena Rare Earths PLC

Notes to the Financial Statements for the period ended 31 December 2025

Fully diluted share capital

The Company has issued the following Warrants, Options and Performance Shares which may dilute the shareholders in the future. Due to the loss in the period the share warrants, share options and performance shares are anti-dilutive.

Share-based payment	Maximum ordinary shares that may be issued under each instrument
Share warrants	174,861,185
Share options	31,300,000
Performance shares	66,666,666
RAB Capital shares	30,000,000
Shares in issue at reporting date (note 11)	562,651,018
Fully diluted share capital	865,478,869

8. Trade and other receivables

	31 December 2025 (Unaudited) £	31 December 2024 (Unaudited) £	30 June 2025 (Audited) £
Prepayments	99,866	34,951	177,283
Other receivables	17,961	10,282	19,006
Total	117,827	45,233	196,289

9. Trade and other payables

	31 December 2025 (Unaudited) £	31 December 2024 (Unaudited) £	30 June 2025 (Audited) £
Trade payables	398,127	1,471,192	421,444
Cash received in advance	450,000	-	-
Accruals	79,712	16,207	190,870
Total	927,839	1,487,399	612,314

The cash received in advance figure represents £450,000 invested by RAB Capital Limited for the subscription of 30,000,000 ordinary shares at £0.015 per share, subject to the following conditions:

- i) the Prospectus Instrument 2025 (FCA 2025/30) and resulting revocation of the Prospectus Regulation Rules sourcebook and implementation of the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook; and
- ii) the shareholders of the Company passing the necessary resolution to grant the Directors sufficient authority to allot the subscription shares. This resolution was passed at the AGM on 3 December 2025.

These shares were issued to RAB Capital in January 2026.

Harena Rare Earths PLC

Notes to the Financial Statements for the period ended 31 December 2025

10. Non-current liabilities

	31 December 2025 (Unaudited) £	31 December 2024 (Unaudited) £	30 June 2025 (Audited) £
Loan note liability	635,682	-	572,937
Convertible loan notes	-	2,471,406	-
Total	635,682	2,471,406	572,937

Interest payable and accrued on the loan note liability for the period ended 31 December 2025 was £24,950 (2024: £Nil) and line fees payable and accrued on the loan note liability for the period ended 31 December 2025 was £12,230 (2024: £Nil).

The actual interest and line fee repaid during the period ended 31 December 2025 was £62,038 (2024: £Nil).

11. Share capital

	Number of shares issued	Share capital £	Share premium £	Total share capital £
At 30 June 2024	43,250,000	216,250	921,797	1,138,047
At 31 December 2024	43,250,000	216,250	921,797	1,138,047
Shares issued during the period	370,634,352	1,817,172	8,745,700	10,562,872
Share issue costs	-	-	(12,500)	(12,500)
Fair value adjustment of unallocated shares	-	-	(35,940)	(35,940)
At 30 June 2025	413,884,352	2,033,422	9,619,057	11,652,479
Prior period restatement	-	-	(8,333,333)	(8,333,333)
Restated at 30 June 2025 (note 12)	413,884,352	2,033,422	1,285,724	3,319,146
Shares issued during the period	148,766,666	743,833	2,487,667	3,231,500
Share issue costs	-	-	(150,440)	(150,440)
At 31 December 2025	562,651,018	2,777,255	3,622,951	6,400,206

The total number of shares the Company is authorised to issue is 1,064,639,282.

During the six-month period ended 31 December 2025, the Company issued 82,100,000 ordinary shares at £0.015 in a placement issue in early August 2025, resulting in a capital raise of £1,231,500. At the end of August 2025, the Company obtained 100% ownership of the Ampasindava Project resulting in the issue of 66,666,666 performance shares at £0.03.

All expenses debited to the share premium account are related to expenses and commission on the issue of shares.

12. Prior period restatement

During the period ended 31 December 2025, the Company identified an error in the presentation of equity arising from the reverse acquisition completed in March 2025 and reported in the year ended 30 June 2025 financial statements. The error arose because the premium on issue of the consideration shares, issued in connection with the acquisition of Harena Resources Pty Ltd, were incorrectly classified as share premium. Under section 612 of the Companies Act 2006, the premium arising on the issue of consideration shares, in a reverse acquisition, must be recorded in a separate merger reserve, not in share premium.

The error resulted in an overstatement of share premium and a corresponding understatement of the merger reserve. This correction affects only the presentation within equity and does not impact total equity, profit for the year, loss per share, or cash flows.

In accordance with *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors*, the Company has restated comparative information retrospectively by reallocating £8,333,333 from share premium to the merger reserve.

Harena Rare Earths PLC

Notes to the Financial Statements for the period ended 31 December 2025

Impact on Consolidated Statement of Financial Position and Consolidated Statement of Changes in Equity:

	As previously reported	Adjustment	Restated 30 June 2025
	£	£	£
Share premium	9,619,058	(8,333,333)	1,285,724
Merger reserve	-	8,333,333	8,333,333
Total equity	915,231	-	915,231

A third Consolidated Balance Sheet is not required under *IAS 1: Presentation of Financial Statements* because the correction does not affect the financial year ended 31 December 2024 opening balance sheet.

13. Related party transactions

Details of Director's remuneration transactions are disclosed in note 5.

The following transactions occurred with related parties:

	Period ended 31 December 2025 (Unaudited)	Period ended 31 December 2024 (Unaudited)	Year ended 30 June 2025 (Audited)
	£	£	£
Directors fees paid to Marylebone Capital Ltd, a company controlled by Ivan Bowen Murphy, provides directors services	51,000	-	-
Fair value expense of fee and performance warrants issued to Marylebone Capital Ltd, a company controlled by Ivan Bowen Murphy, provides directors services	327,284	-	-
Directors fee paid to Jesty Capital LLP, a company controlled by Andrew Paul Richards, provides directors services	11,700	-	-
Fair value expense of fee and performance warrants issued to Jesty Capital LLP, a company controlled by Andrew Paul Richards, provides directors services	140,264	-	-
Directors fees paid to Elev8 Pty Ltd, a company controlled by Allan Ewald Mulligan, provides directors services	-	15,361	46,440
Directors fees paid to Bloomgold Investment Pty Ltd, a company controlled by Timothy Morrison, provides director services	-	4,096	4,030
Directors fees paid to Legate Consulting Pty Ltd, a company controlled by Phillipa Leggat, provides directors services	-	13,434	19,933
Consultancy fees paid to Lionshead Consultants Limited, a company controlled and owned by Sam Delevan Quinn, provided consultancy services	4,200	-	56,600
Fair value expense of share options issued to Lionshead Consultants Limited, a company controlled and owned by Sam Delevan Quinn, provided consultancy services	8,979	-	-
CFO and Company Secretary fees paid to Forest House Pty Ltd, a company owned and controlled by Jay Stephenson, provides CFO and company secretary services	10,278	19,970	84,500
Intercompany loan transactions from Harena Rare Earths PLC to Harena Resources Pty Ltd	1,424,924	-	1,039,627

Harena Rare Earths PLC

Notes to the Financial Statements for the period ended 31 December 2025

Interest accrued on the intercompany loan between Harena Rare Earths PLC and Harena Resources Pty Ltd	44,871	-	9,930
---	--------	---	-------

Included in the six-month period ended 31 December 2025 trade and other payables balance, were the following outstanding amounts due to related parties:

	31 December 2025 (Unaudited) £	31 December 2024 (Unaudited) £	30 June 2025 (Audited) £
Stephen Robert Weir	7,500	-	18,000
Sam Delevan Quinn	-	-	4,984
Lionshead Consultants Limited	7,400	-	7,200
Winton Willesee	-	-	5,826
Bloomgold Investment Pty Ltd	-	5,493	-
Elev8 Pty Ltd	-	24,859	-
Forest House Pty Ltd (Jay Stephenson)	36,320	26,081	34,871
Legate Consulting Pty Ltd (Phillipa Leggat)	-	18,130	14,894

14. Events after the reporting date

The following events occurred after 31 December 2025:

Appointments (8 January 2026): The Company appointed Jack Allardyce as Interim CFO, Marex Financial Limited as Corporate Adviser, and SP Angel Corporate Finance LLP as Joint Broker.

Completion of RAB Capital Investment (16 January 2026): Following the new Prospectus Rules coming into effect the Company issued the shares associated with the £450,000 investment from RAB Capital. This increased RAB Capital's shareholding to approximately 9.8% of the Company's issued share capital.

Completion of Pre-Feasibility Study ("PFS") (26 January 2026): The Company announced completion of the PFS with post-tax Net Present Value at 10% discount rate of US\$249.6 million, post-tax IRR of 30%, and 4-year payback period, confirming robust project economics.

Mining Permit Moratorium Lifted (30 January 2026): The Government of Madagascar lifted its 16-year moratorium on mining permits.

Conditional Subscription to raise £2,000,000 (18 February 2026): The Company raised gross proceeds of £2,000,000 through a direct subscription for 90,909,090 new ordinary shares at £0.022 per share, which completed on 24 February 2026.

Exclusivity Agreement to Acquire U.S. Rare Earth and Uranium Permits (16 March 2026): The Company entered into an Exclusivity Agreement to evaluate the acquisition of a 100% interest in Paradigm Critical Minerals Limited, the owner of heavy rare earth and uranium exploration assets. At this stage there is no certainty that the Company will enter into a definitive agreement as the transaction remains subject to satisfactory completion of due diligence, internal approvals and the negotiation and execution of definitive documentation.