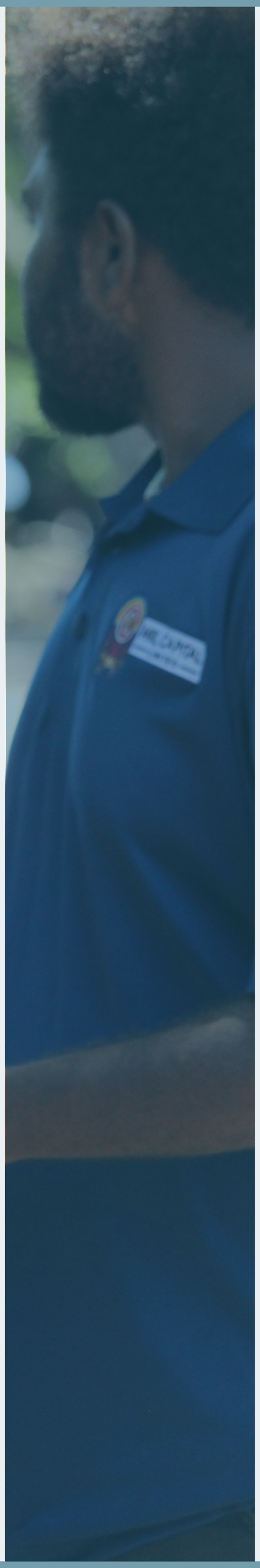
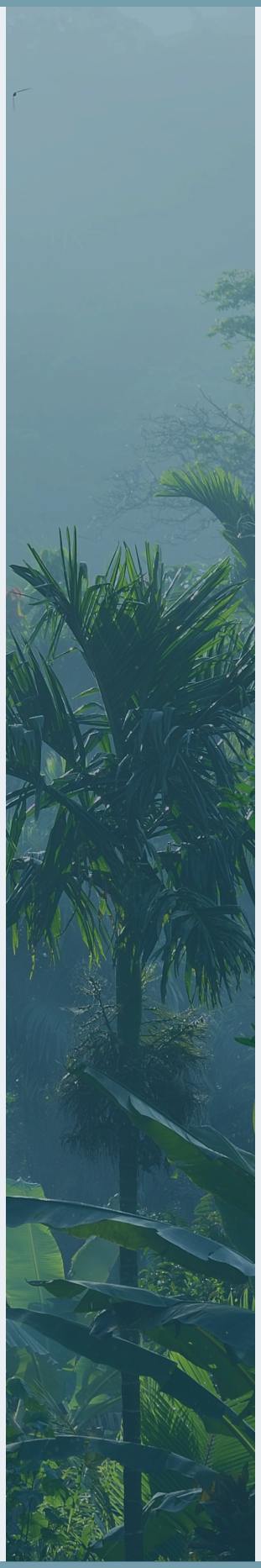
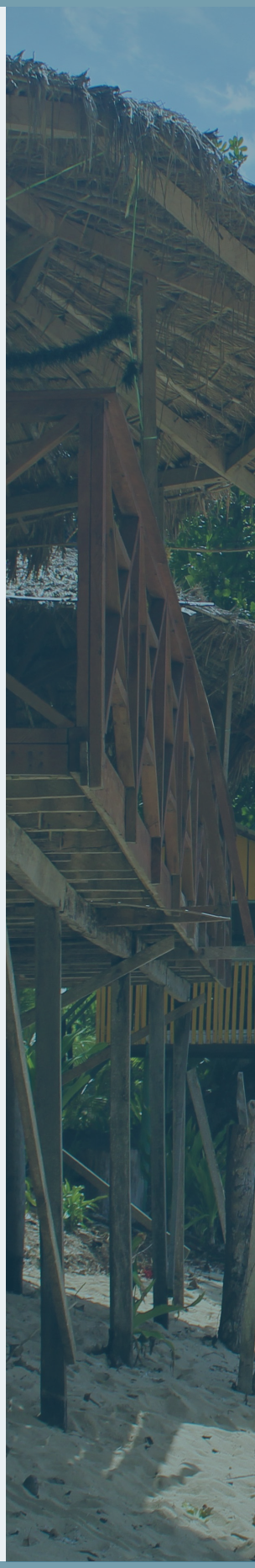
LIHIRIANS
EQUITY TRUST







2025 ANNUAL REPORT

MRL CAPITAL LIMITED

Prepared by MRL Capital Limited
as Trustee for Lihirians Equity Trust



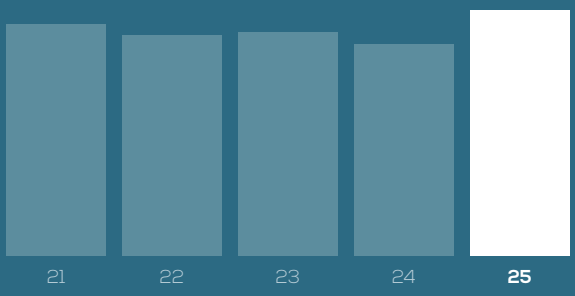
2025 HIGHLIGHTS

Key results for the year, compared with the previous four years.

TOTAL ASSETS

K588.49m

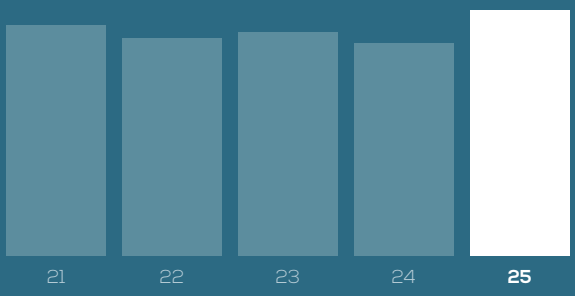
▲ up 15.8%



NET ASSETS

K577.21m

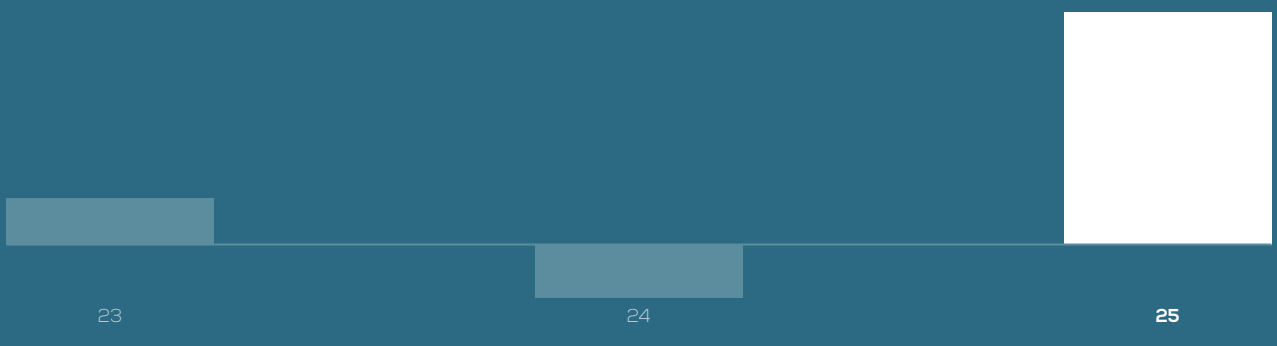
▲ up 15.5%



TOTAL COMPREHENSIVE INCOME

K82.33m

▲ 14.3% return on net assets



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OUR MISSION

To maximise Fund performance, foster Lihirian economic sustainability and pursue growth opportunities.

OUR VISION: LIHIR DESTINY

The Lihir Destiny sets out the following key principles:



1 VISION

To be self-reliant and financially independent.

2 MISSION

To create a healthy, wealthy, happy and wise community.

3 PARALLEL

To ensure development in all villages on Lihir will happen in parallel with the development of the Lihir Gold Project.

4 SUSTAINABLE

To encourage sustainable development on Lihir that is not dependent on the Lihir Gold Project.

5 MINING DEVELOPMENT

To ensure resource development continues to proceed as per the Integrated Benefits Package and compensation for land owners.

6 BALANCED

To ensure that development is balanced in all villages and wards on Lihir.

7 STABLE

To ensure development on Lihir is stable and in harmony with Lihir society, not destroying or eroding the order and culture.

8 NON-MINING DEVELOPMENT

To ensure the Lihir Sustainable Development Plan is not dependent on the mine.



THE LET'S VISION

To create the wealth required to empower Lihirians to be independent by ensuring sustainable development in line with the Lihir Destiny.

ABOUT

LIHIRIANS EQUITY TRUST

The Lihirians Equity Trust (LET or Trust) was established to hold in trust the shares in Lihir Gold Limited (LGL) for the benefit of the people of the Lihir Group of Islands. From 2005 these shares were sold and the proceeds of the sale reinvested into a portfolio of assets currently managed by MRL Capital Limited.

2025 AT A GLANCE

K774.5m
Total assets under management

K577.2m
LET net assets

K4.8m
Distributions declared

23
Students sponsored

Exceeded
K750m 2026 target, one year early



OUR HISTORY

2025

THE LATEST UPDATES

- First 2 awardees under the Secondary Scholarship Program commenced Year 10 at St Peters Lutheran College in Brisbane.
- Disposal of St Lucia Marketplace in Brisbane.
- Establishment of MRF Consulting Engineers joint venture.

LOOKING AHEAD

2026

- Build on the 2022–2026 Strategic Plan, with its K750 million target exceeded a year early.
- Develop and implement the next Five-Year Strategic Plan for 2027–2031.

2024

- Completion of 36–40 Hofmann Drive, Noosaville medical centre development.
- TWL Lihir Limited changed its company name to Argo Lihir Limited.

2023

- Chairman Mark Soipang awarded Companion of the Star of Melanesia (CSM).
- Acquisition of 36–40 Hofmann Drive, Noosaville and commencement of medical centre development.
- Acquisition of TAMS Group diving and ferry services contracts and vessels.
- Establishment of TWL Lihir Limited.

2022

- LET Trust Deed amendments accepted and approved.
- Developed and implemented the 2022–2026 Five-Year Strategic Plan.
- MRLFM granted Trustee Services Licence & Fund Management Licence.
- Incorporation of MRL Property Services Limited.
- Acquired 163 Draper St, Cairns and 344 New Cleveland Rd, Tingalpa (under TFM).
- Disposal of 11 Lang Parade, Milton.

2021

- 40% acquisition in Trident Property Advisory Pty Ltd.
- Acquired 11 Lang Parade, Milton and 689 Nicklin Way, Currimundi (under TFM).
- Incorporation of MRL Funds Management Limited (MRLFM).

2020

- Disposal of 76 Lake St, Cairns.
- TFM awarded Australian Financial Services License (AFSL: 298979).

2019

- MRLP acquired St Lucia Marketplace, Brisbane.
- Investment in Trident Funds Management Pty Ltd (TFM).
- Disposal of 99 Racecourse Road, Brisbane.

2018

- Incorporation of Lihir Development Finance Corporation Limited and MRL Energy Limited.

2017 – 1995

2017

- Developed and implemented the 2017–2021 Five-Year Strategic Plan.

2016

- The LET acquired 100% interest in South Sea Lines Limited (SSL).
- Construction of Blue Orchid Apartments.
- Awarded 'Best Private Sector Employer' by the PNG HR Institute.

2013

- Established the MRL Foundation (previously CSO Foundation).

2012

- MRLP acquired its fourth property at 488 Queen St, Brisbane.
- The LET acquired a 20% shareholding in Gazelle International Hotel.

2011

- MRLP acquired its third property at 316 Adelaide St, Brisbane.
- MRL acquired properties at Doyle St and Eagle St, Lae.

2010

- MRLP acquired its second property at 120 Bunda St, Cairns.

2009

- MRLP acquired its first property at 76 Lake St, Cairns.
- Second dividend payment of K20 million distributed to Beneficiaries.

2008

- MRL changed its company name to MRL Capital Limited and issued the first dividend payment of K18 million.
- Incorporation of wholly owned Australian subsidiary Mineral Resources Lihir Pty Ltd (MRLP).
- MRL exercised its right to exit the Management Agreement with MRDC.

2007

- The Lihir landowners' equity in the Lihir Gold Mine completely liquidated on the ASX.

2005

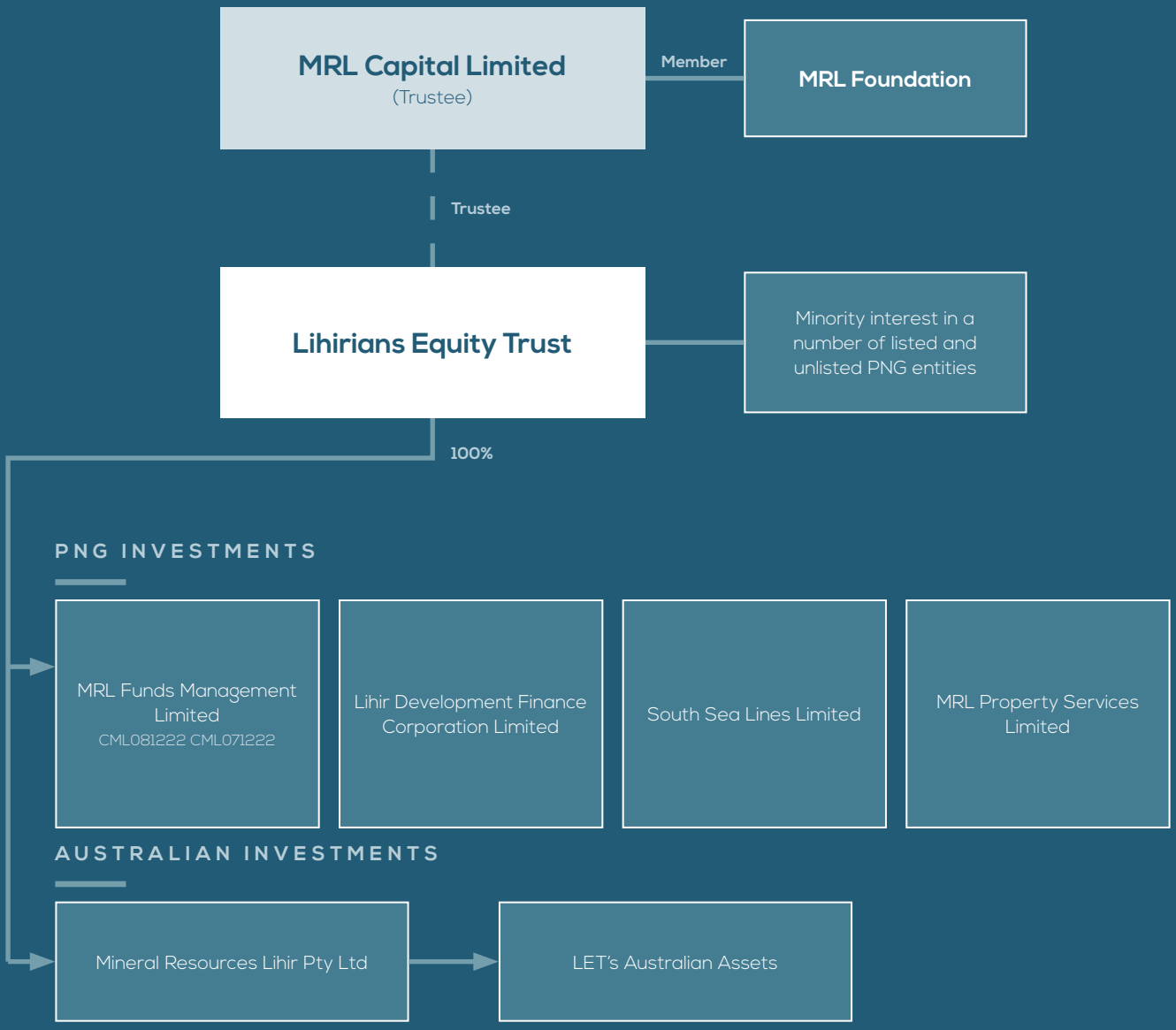
- Commenced sale of K15 million shares on the ASX to settle the outstanding EUR16 million debt with European Investment Bank.

1995–1997

- Mineral Resources Lihir Pty Limited (MRL) incorporated as a wholly owned subsidiary of Mineral Resources Development Company Limited (MRDC).
- MRL acquired K77 million LGL shares (6% of LGL) and appointed as Trustee of the LET.



CORPORATE STRUCTURE



As at 31 December 2025

BOARD & MANAGEMENT

BOARD OF DIRECTORS



Mark Soipang
Chairman Emeritus
Tinetalgo Clan



Lawrence Rausim
Managing Director
Nikama Clan



David McDougall
Independent Director



Fidelia Amoi Yohang
Director
Lamatlk Clan



Joseph Braun
Director
Tengawom Clan



Jerry Morrus
Director
Nissal Clan



John Yaspot
Director
Unawos Clan

EXECUTIVE MANAGEMENT



Lawrence Rausim
Chief Executive Officer



Bruce Apana
Chief Operating Officer & Company Secretary

CHAIRMAN EMERITUS STATEMENT



MARK SOIPANG
Chairman Emeritus

2025 HIGHLIGHTS

K588.49m
Total assets, up 15.8%

K577.21m
Net assets attributable to Beneficiaries, up 15.5%

K80.79m
Other comprehensive income (2024: loss K22.05m)

On behalf of the MRL Board, as Trustee, I am pleased to report the financial performance of the LET and highlight its significant achievements for the period ending 31 December 2025.

The 2025 year was a year of strong recovery and renewed momentum for the LET, following 2024. Despite ongoing global economic uncertainty, the Fund delivered a substantial improvement in financial performance, underpinned by favourable currency movements, gains across our equity portfolio, and continued discipline in the management of the Trust's assets on behalf of our Beneficiaries.

I am pleased to report that the LET's total assets grew from K508.12 million to K588.49 million during the year, an increase of approximately 15.8%. Net assets attributable to Beneficiaries rose from K499.70 million to K577.21 million, an increase of circa 15.5%, reflecting both the strengthening of our underlying investment holdings and the depreciation of the Kina against the Australian dollar, which increased the Kina value of the LET's shareholding in our Australian subsidiary, MRLP.

The LET recorded a Profit Before Income Tax of K1.42 million for the year (2024: K3.98 million) and, after an income tax benefit, a Profit for the Year of K1.54 million (2024: K3.28 million). Other Comprehensive Income was K80.79 million (2024: loss of K22.05 million), bringing Total Comprehensive Income to K82.33 million, a marked turnaround from the Total Comprehensive Loss of K18.78 million in the prior year. The gain came mainly from our shareholding in our Australian subsidiary, MRLP, which increased in value by K76.81 million: K42.82 million from favourable foreign exchange movements and K33.99 million from growth in its underlying net assets. PNG listed shares added a further K4.52 million.

Having the Five-Year Strategic Plan in place has again proven its value. With a Fund Value of K774.5 million at 31 December 2025, the LET has exceeded the 2022–2026 Strategic Plan target of K750 million a full year ahead of schedule. The Board is encouraged by the underlying resilience of the Fund and remains focused on the disciplined, long-term stewardship of Beneficiaries' assets.

DISTRIBUTIONS

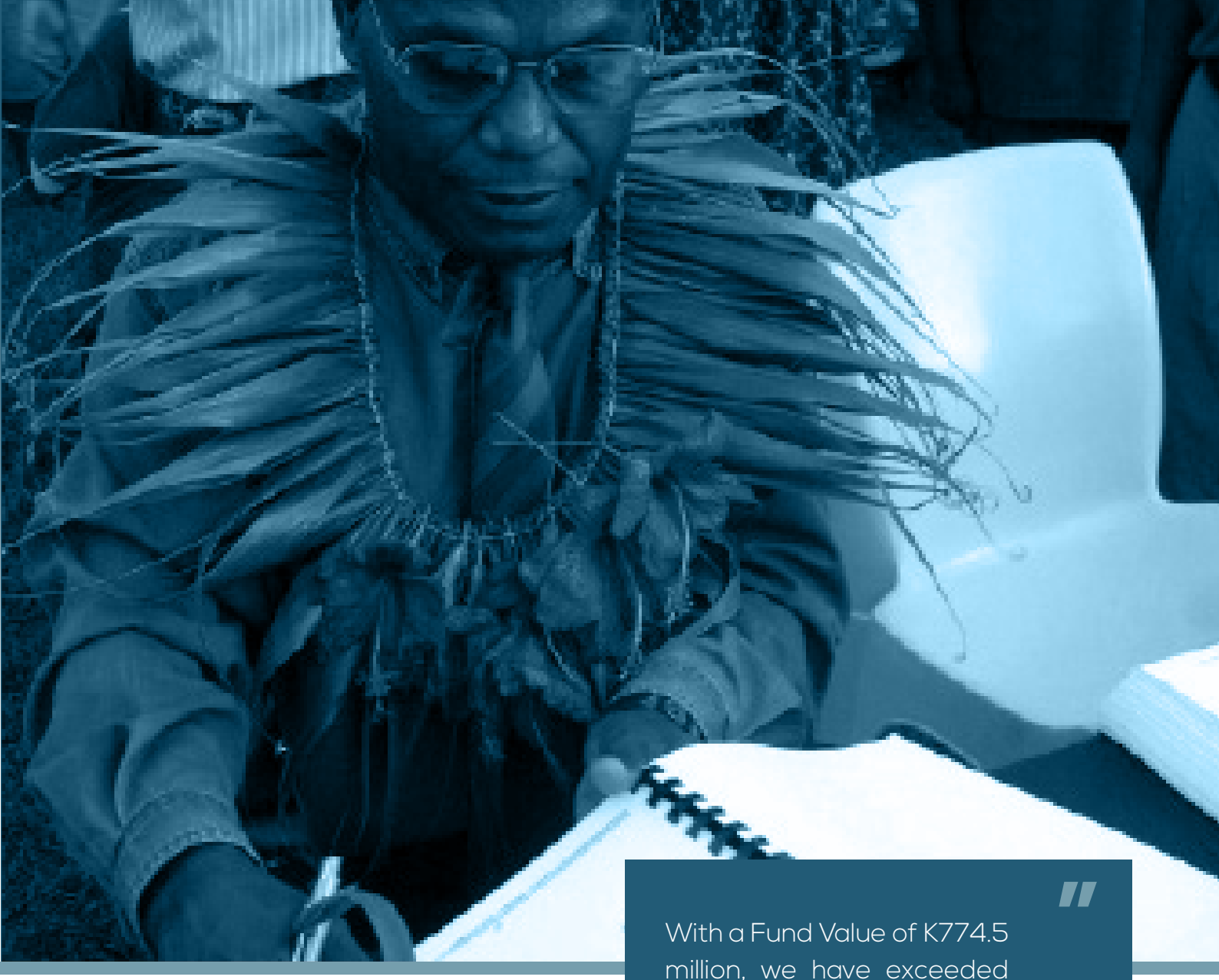
The Directors of the Trustee declared a distribution for the 2025 financial year of K2.36 million on 24 August 2026.

Our MRL Beneficiary Database continues to be carefully maintained, with registration, verification and MiBank distribution processes further strengthened during the year to ensure Beneficiaries receive their entitlements accurately and efficiently.

LIHIR INVESTMENT FUND (LIF)

The LIF continued to build momentum in 2025, following its successful launch and first full year of operation. The LIF continues to provide Beneficiaries, and the broader Lihirian community, with a genuine platform to save and invest for the long term, supporting our shared goal of financial independence beyond the life of the mine.

The Board remains focused on ensuring strong governance and strategic oversight, and on supporting initiatives that align with our 2022–2026 Strategic Plan. I commend the Executive Management team and our dedicated staff across Papua New Guinea and Australia for their continued professionalism and commitment throughout the year.



> With a Fund Value of K774.5 million, we have exceeded our K750 million Strategic Plan target a full year ahead of schedule.

I also extend my sincere gratitude to my fellow Board Directors for their wisdom, guidance and continued commitment to acting in the best interests of every LET Beneficiary.

Let us continue to work together to realise the Lihir Destiny, creating a healthy, financially secure and empowered community for generations to come.

God bless the LET and its Beneficiaries.

MARK SOIPANG
Chairman Emeritus

LETTER FROM THE MANAGING DIRECTOR



LAWRENCE RAUSIM
Chief Executive Officer

2025 HIGHLIGHTS

K1.42m
Profit before income tax (2024: K3.98m)

K82.33m
Total comprehensive income (2024: loss of K18.78m)

K8.61m
Interest income (2024: K11.25m)

Dear Beneficiaries,

As managers of the LET, the Board of Directors and the dedicated management teams in both Papua New Guinea and Australia remain committed to delivering sustainable outcomes for our Beneficiaries. As Managing Director, it is my pleasure to present the LET's financial and operational performance for the financial year ended 31 December 2025.

Now in the fourth year of our 2022–2026 Strategic Plan, 2025 was a year in which the Fund delivered a strong financial result, while our focus on the ground continued to centre on strengthening the systems and services that support our Beneficiaries directly.

FINANCIAL PERFORMANCE

The LET's financial position strengthened considerably during the year. Total assets increased from K508.12 million to K588.49 million, while Net Assets attributable to Beneficiaries rose from K499.70 million to K577.21 million.

Profit Before Income Tax for the year was K1.42 million, compared to K3.98 million in 2024, and Total Comprehensive Income was K82.33 million, compared to a Total Comprehensive Loss of K18.78 million in the prior year. The result was primarily attributable to:

- a fair value gain of K80.79 million recognised in other comprehensive income on our FVOCI equity investments, including our shareholding in MRLP, which increased in value from K297.47 million to K374.28 million;
- an unrealised foreign exchange gain of K1.04 million (2024: loss of K0.24 million).

Interest income of K8.61 million (2024: K11.25 million) reflected lower income from related-party lending as several loan balances were repaid or wound down during the year, partially offset by returns on the LET's holding of PNG Government fixed income securities.

STRENGTHENING BENEFICIARY SERVICES

We continued to build on the strong foundations established in prior years. The MRL Beneficiary Database and MiBank distribution process remain central to ensuring Beneficiaries receive their annual distributions accurately, securely and efficiently, and we continued to refine registration and verification processes throughout the year.

The LIF, which reached its first full year of operation in 2025, continued to gain traction, providing Beneficiaries and local Lihirian businesses with a genuine avenue to save and build wealth independent of the LET's own distributions.

Through the MRL Foundation Association Inc., we continued to invest in community-focused programs on Lihir, including education and scholarship initiatives, in keeping with our commitment to the Lihir Destiny.

LOOKING AHEAD

Global economic conditions remain uncertain, with continued risks from inflation, interest rate movements, currency volatility and geopolitical tensions. As a country heavily reliant on imports, Papua New Guinea remains sensitive to these external pressures. We remain guided by the LET's investment policies and risk management framework, which prioritise prudent, diversified and long-term investment decisions.

At K774.5 million, the Fund Value at 31 December 2025 has already exceeded the K750 million target set under our 2022–2026 Strategic Plan, one year ahead of schedule. We will build on this result as we develop our next Five-Year Strategic Plan.

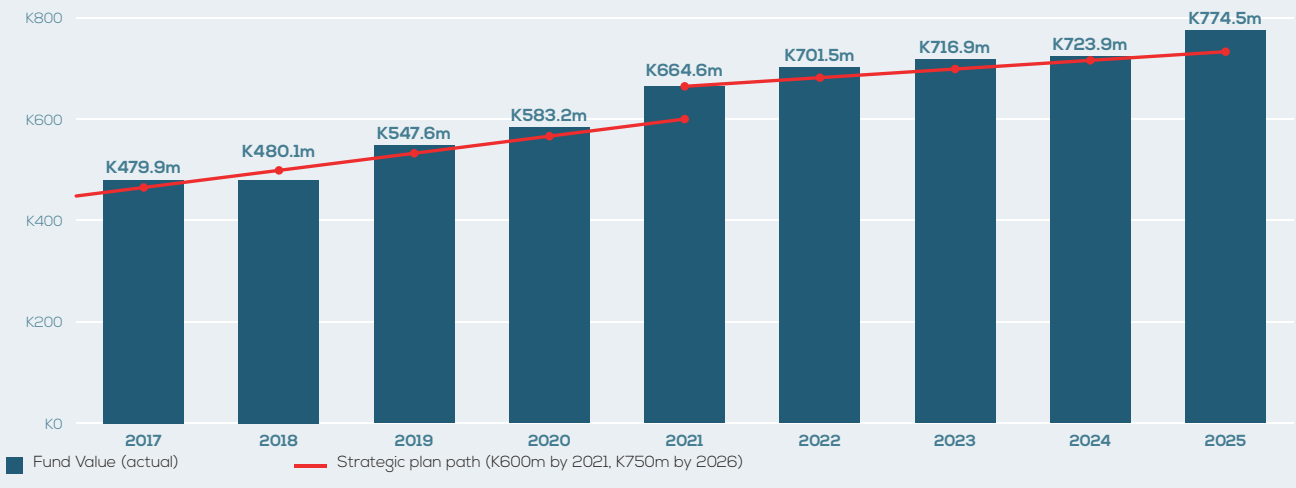
To our Chairman, Mr Mark Soipang, and the Board of Directors, I extend my sincere gratitude for your continued guidance and support throughout 2025. I also acknowledge the exceptional efforts of our management teams and staff in both Papua New Guinea and Australia. Your dedication and professionalism continue to make a meaningful difference in supporting and advancing the interests of our Beneficiaries.

God bless the LET and its Beneficiaries.



LAWRENCE RAUSIM
Managing Director

FUND VALUE VS STRATEGIC PLAN (K MILLION)





> In the 2017–2021 Strategic Plan our main goal was to reach a Fund Value of K600 million by 2021, which was exceeded by ~K64 million. For the 2022–2026 Strategic Plan we are already exceeding our target a year early in 2025.
>
> **LAWRENCE RAUSIM**
> Managing Director

2022–2026 FIVE-YEAR STRATEGIC PLAN

All of MRL's business activities are guided by the current Strategic Plan, each covering a five-year period. These plans frame the company's decision-making, set strategic goals and help measure the Fund's long-term progress.

OUR STRATEGIC SUCCESS

In 2017, MRL Capital initiated its first Five-Year Strategic Plan with a strong focus on maximising Fund performance, fostering Lihirian economic sustainability, and pursuing growth opportunities.

TARGET EXCEEDED

K774.5m

Fund Value at 31 December 2025, 3.3% above target

2026 target K750m

STRATEGIC DIRECTION

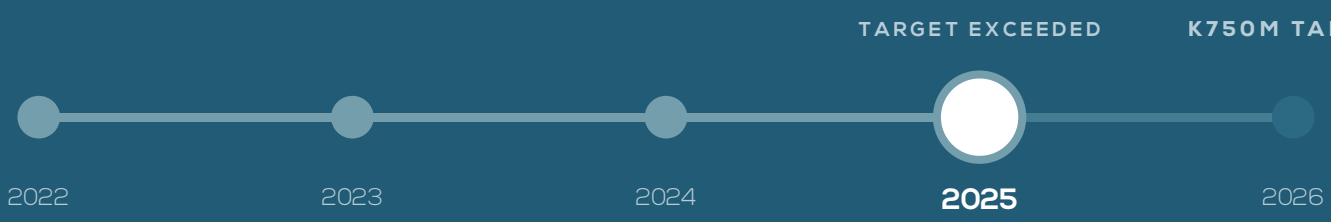
By 2026, the goal is for MRL to grow the LET Fund Value to K750 million, operating as a high-performing investment manager for the LET with a balanced portfolio and income streams. The main focus will be on longer-term investments in the interest of creating sustainable growth.

MRL continues to manage and provide funding to the MRL Foundation to deliver projects and services for Beneficiaries, thereby meeting the vision of the Lihir Destiny.

As at 31 December 2025, the Fund Value stood at K774.5 million, exceeding the 2026 target of K750 million one year ahead of schedule.

Having achieved the target early, MRL will continue to pursue strategic initiatives and investment opportunities that build on this result as it prepares the next Five-Year Strategic Plan.

WHERE WE ARE



STRATEGIC OBJECTIVES



STRATEGIC GUIDELINES





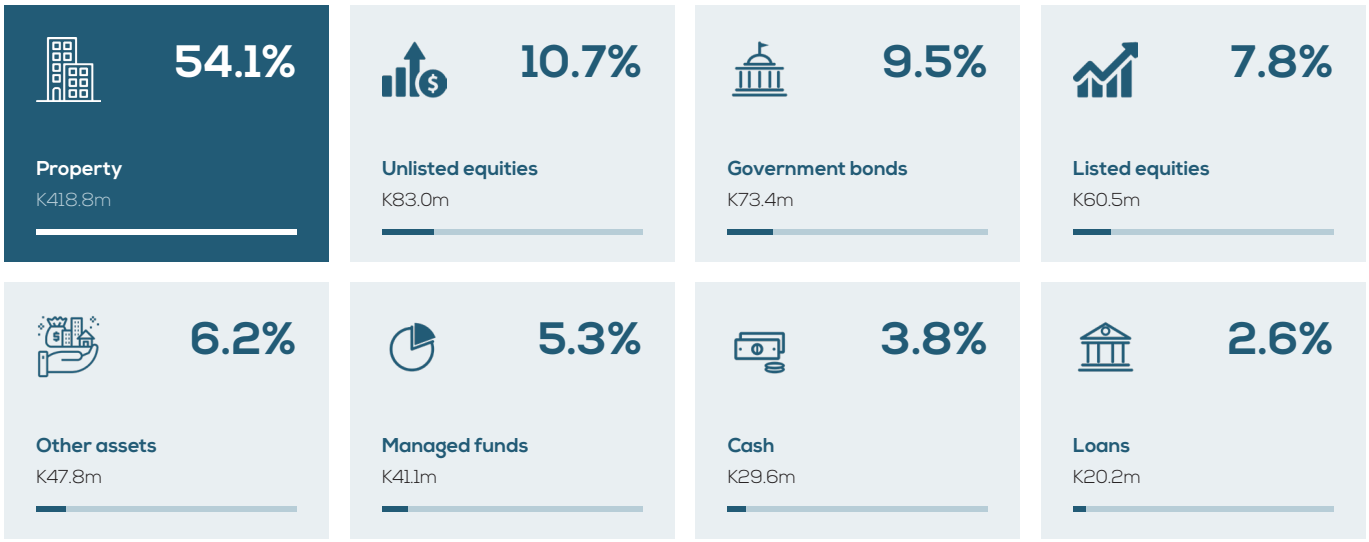




FUND INVESTMENTS

The LET's investment portfolio includes a combination of PNG and Australian assets. The PNG assets are held by MRL as Trustee for the LET, while the Australian assets are held by MRLP, a wholly-owned Australian subsidiary of MRL.

LET ASSET ALLOCATION AT 31 DECEMBER 2025



	PNG Assets	Australian Assets	LET Total Assets
	K	K	K
Property	14,276,744	404,571,258	418,848,002
Government bonds	73,384,774	-	73,384,774
Unlisted equities	49,955,285	33,083,092	83,038,377
Listed equities	31,510,384	29,008,053	60,518,437
Managed funds	-	41,060,313	41,060,313
Loans	16,837,643	3,398,743	20,236,386
Cash	6,505,466	23,127,626	29,633,092
Other assets	22,401,997	25,348,144	47,750,141
Group total assets	**214,872,293**	**559,597,229**	**774,469,522**
Less:			
MRLP liabilities			(177,171,515)
SSL liabilities			(8,810,818)
LET total assets			**588,487,189**
Less:			
LET liabilities			(11,280,304)
LET net assets			**577,206,885**

FUND INVESTMENTS

PNG ASSETS AS AT 31 DECEMBER 2025

Approximately 34.15% of the PNG assets are Government bonds. The remainder of the assets include unlisted equities, loans, property, cash and listed equities.

The largest unlisted equity is SSL, a Lae-based shipping company that provides regular services to Lihir.

AUSTRALIAN ASSETS AS AT 31 DECEMBER 2025

The majority of the Australian assets are property, including commercial buildings in Brisbane and Cairns.

The listed equities portfolio is managed by Macquarie Wealth Management, and managed fund investments are held with Private Wealth (part of Westpac Group).

K214.9m

Total PNG assets

Government bonds	34.2%
Unlisted equities	23.2%
Listed equities	14.7%
Other assets	10.4%
Loans	7.8%
Property	6.6%
Cash	3.0%

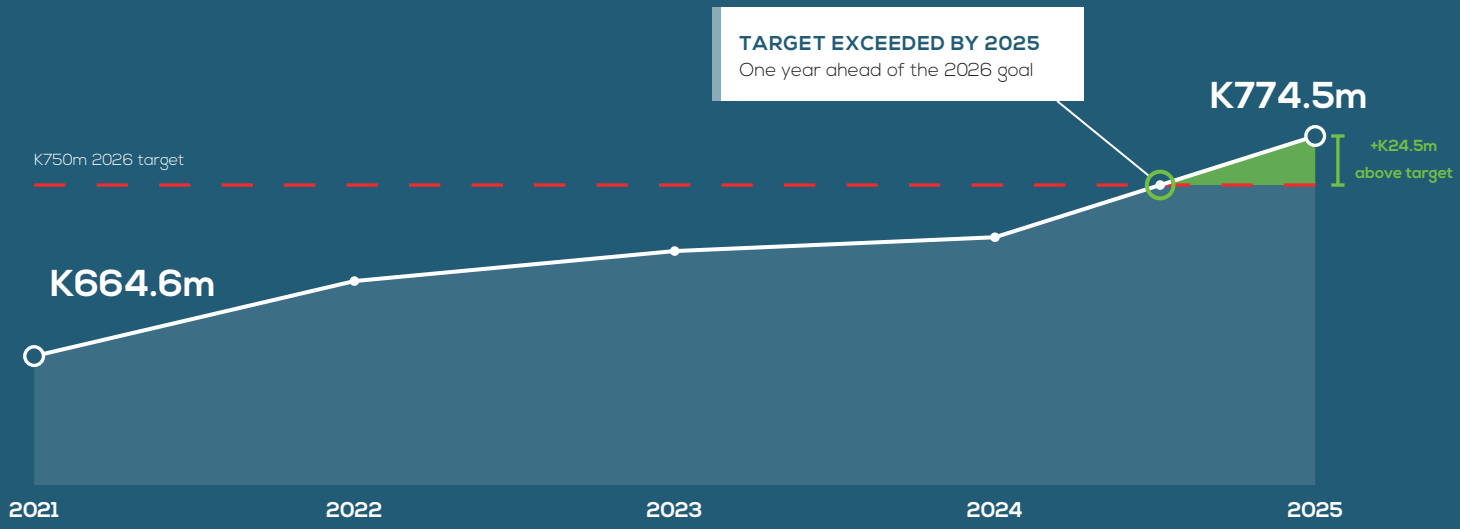
K559.6m

Total Australian assets

Property	72.3%
Managed funds	7.3%
Unlisted equities	5.9%
Listed equities	5.2%
Other assets	5.1%
Cash	4.1%

ASSET GROWTH

The LET's Fund Value has increased from K411.4 million in 2008 to K774.5 million in 2025.





CORPORATE GOVERNANCE

Six Clan representatives, two committees and one clear purpose: to preserve and grow the LET for all Beneficiaries.

MRL is the Trustee and Manager of the LET. MRL seeks to meet the two primary objectives of the LET:

To preserve and grow the capital of the LET.

To generate sufficient annual income to pay distributions to eligible Lihirians and to support the MRL Foundation program to improve education, health and social welfare standards for members of the Clans, who are Beneficiaries of the LET.

2025 BOARD & COMMITTEE MEETING ATTENDANCE

Director	Clan	MRL Board	Audit, Risk & Remuneration	Investment Committee
Mark Soipang Chairman Emeritus	Tinetalgo	●●○●	●●○●	●●○●
Lawrence Rausim MD	Nikama	●●●●	●●●●	●●●●
Jerry Morrus	Nissal	●●●●	n/a	●●●●
Joseph Braun	Tengawom	●●●●	n/a	n/a
John Yaspot	Unawos	●●●●	n/a	n/a
Fidelia Amoi Yohang	Lamatlik	●●●●	●●●●	n/a
David McDougall* Independent	–	n/a ●●●	●●●●	●●●●

● attended ○ not attended n/a = not a member

* David McDougall was appointed to the MRL Board in June 2025; Board attendance is shown from his appointment date (n/a = not relevant meetings).

In its capacity as Trustee and Manager of the LET, MRL has created an appropriate Governance and Risk Management Framework for its administration.

A representative from each of the six Lihirian Clans – Unawos, Lamatlik, Tengawom, Tinetalgo, Nissal and Nikama – make up the Board, which is primarily responsible for the governance and oversight of the LET.

Directors are elected by their respective Clan and serve for a term of three (3) years with eligibility for reappointment.

The Board holds frequent meetings, including quarterly scheduled board meetings, to discuss LET operations and assess potential investment opportunities. All decisions are made after careful deliberation and objective evaluation of all the facts available.

When necessary, the Board requests briefings from the Executive Management Team and independent professional advisors to assist the Board in fulfilling its responsibilities.

COMMITTEES

6	4	2	2017
Lihirian Clans represented on the Board	Scheduled Board meetings in 2025	Board committees	KPMG external auditor since (re-tendered every 3 years)

Audit, Risk & Remuneration Committee

Provides independent and objective review, advice and assistance in developing Board policies, and assists the Board with the annual audited financial statements, financial reporting, audit, performance management, remuneration and retention.

CHAIR **David McDougall**

MEMBERS Mark Soipang, Lawrence Rausim, Fidelia Amoi Yohang

Investment Committee

Reviews and makes recommendations to the Board on investment strategy, performance and outlook, compliance with the Investment Policy and its gearing components, external group borrowings and debt covenants.

CHAIR **Mark Soipang**

MEMBERS David McDougall, Lawrence Rausim, Jerry Morrus

EXTERNAL AUDITOR

It is MRL's policy to appoint external auditors who can clearly demonstrate quality and independence. KPMG was first appointed as the external auditor in 2017 following a tender process, and was reappointed in 2024 following a further tender process. The performance of the external auditor is reviewed annually.

INVESTMENT STRATEGY

To maximise growth and protect the capital of the LET, MRL has established an investment governance framework consisting of an Investment Policy and Investment Strategy. In order of priority, the goals of the LET's investment activities are:



SETTING RETURN REQUIREMENTS

The overall objective is to optimise risk-adjusted returns for the Beneficiaries while growing the Fund. The Investment Strategy is formulated by:

(a) Return objectives: Setting rolling risk-adjusted return objectives for the portfolio and each asset class, designed to deliver a return above inflation.

(b) Strategic allocation: Determining a strategic asset allocation, set on a longer-term basis.

(c) Dynamic tilts: Implementing dynamic asset allocation tilts to capitalise on market inefficiencies or specific opportunities.

(d) Specialist managers: Using investment managers to complement in-house skills when required.

SETTING RISK PARAMETERS

Risk is the chance of something happening that will have an impact on objectives, measured in terms of consequences and likelihood. Managing investment risk in the portfolio is a critical component of MRL's overall Risk Management Framework.

ASSET ALLOCATION

MRL has evaluated the asset classes under which it manages the LET's assets, considering historical rates of return, the relative levels of risk of each and the objectives of the Strategic Plan. MRL recognises that asset allocation is critical to the performance of the LET.



MRL FOUNDATION

The MRL Foundation program is designed to support and assist Lihirians with a strong focus on health, education and social welfare services.

The MRL Foundation projects and activities are undertaken by the MRL Foundation Association Inc., a charitable institution funded by distributions from the LET and managed by MRL. Initiatives supported under this program aim to contribute to the Lihirian community and ensure a more prosperous future, in line with the Lihir Destiny.

MRL FOUNDATION OBJECTIVES

Community benefit
Any other purposes beneficial to the Lihirian People

Health & wellbeing
The advancement of the health and general wellbeing of the Lihirian People



Relief of poverty
The relief of poverty of the Lihirian People

Education
The advancement of education of the Lihirian People

2025 PROJECT OVERVIEW

The following projects were initiated and undertaken during 2025. All projects are reviewed and approved to ensure they meet Trust Deed requirements and contribute towards the development of Lihir and its people.

COMPLETED 2

EDUCATION

Mazuz Primary School

Construction of a new 4x1 classroom. Handed over in January 2022.

EDUCATION

Sekunkun Primary School

Construction of a new 6x1 classroom completed 31 May 2023.

IN PROGRESS 1

INFRASTRUCTURE

Solar Off Grid Solutions

Palie and Samo household surveys and mapping complete. Pending site reports and costings.

CONTINUOUS 6

INFRASTRUCTURE

Solar Solutions

All solar systems operational. Maintenance and routine monitoring completed as required.

INFRASTRUCTURE

Community Connectivity Project

Internet connectivity for education and health facilities to improve communication and access to education materials.

EDUCATION

Cadetship Program

Sponsorship of Lihirian students across PNG & Australia in various fields of study.

HEALTH

Lihir Malaria Elimination Program

The MRL Foundation is a partner of the Lihir Malaria Elimination Program on Lihir island.

INFRASTRUCTURE

Palie House Maintenance

Ongoing maintenance of house and yard.

MANAGEMENT

Lihir Database

Implementation and ongoing management of a Beneficiary Database.



FEATURED PROGRAM

Secondary Scholarship Program

In 2025, the first two awardees completed Year 10 at St Peters Lutheran College in Brisbane. The scholarship covers tuition, boarding and living costs to Year 12, with two new students awarded each

2 students sponsored in 2025

ALL students passed in 2025

2 new students to begin in 2026



SECONDARY SCHOLARSHIP PROGRAM

The Secondary Scholarship Program gives Lihirian secondary school students the opportunity to access a high-quality education in the Australian academic system, studying and boarding at St Peters Lutheran College in Brisbane from Years 10 to 12.

2025 UPDATE

2025
First two awardees commence Year 10

2026
Third awardee commences Year 10

2027
Fourth and fifth awardee scheduled to commence Year 10

In 2025, the program's first two awardees commenced Year 10 at St Peters Lutheran College and are progressing well. A third student was awarded a scholarship for the 2026 intake and commenced Year 10 in January 2026. At the Q4 2025 meetings, the Board approved continuing the program for two further intakes in 2027 and 2028 with an expected 2 new students commencing in 2027 and 2028.

HOW THE PROGRAM WORKS

Two students each year
One male and one female student who meet the eligibility criteria

Years 10 to 12
Three years of study at St Peters Lutheran College, Brisbane

Live and study on campus
Awardees board at the college during their studies

Costs covered
All reasonable tuition and living costs are covered

Awardees who successfully complete the program may be offered a Tertiary Scholarship in PNG or Australia to further their education.

MRL FOUNDATION CADETSHIP PROGRAM

The MRL Foundation Cadetship Program provides Lihirians with scholarships to further their education and build the capacity of future Lihirian leaders. Students supported during 2025 are listed below.

14	2	12	6
Students supported in 2025	Secondary scholars in Brisbane	Tertiary students in PNG	Partner institutions

St Peters Lutheran College (Brisbane)	2
Katie Kamong	Year 10
Thomas Toisiat	Year 10

University of Goroka (UOG)	2
Dessie Moab	Bachelor of Education (Arts in Religious Education & Personal Development)
Doreen Lalle	Bachelor in Education

Divine Word University (DWU)	1
Pauline Bongal	Bachelor in Social & Religious Studies

PNG Uni. of Natural Resources & Env. (PNGUNRE)	1
Joe Funmat	Bachelor in Tropical Agriculture

University of Papua New Guinea (UPNG)	5
Benedine Aisoli	Bachelor of Science Foundation
Francis Yeriem	Bachelor in Business Management (Public Policy Management)
Margaret Dardar	Bachelor in Arts (Journalism & Public Relations)
Michaella Kiapman	Bachelor in Arts in Linguistics & Modern Language
Panuel Moab	Bachelor in Physics

Pacific Adventist University (PAU)	3
Fiona Liomso	Bachelor in Secondary Education (Science)
Grace Kombing	Bachelor in Education
Peter Toisiat	Bachelor in Education

WHERE OUR STUDENTS STUDY



LIHIRIANS EQUITY TRUST

SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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2025

TRUST AND TRUSTEE INFORMATION

Trust	Lihirians Equity Trust
Trustee	MRL Capital Limited
Registered office address	Suite 2, Level 3, PWC Haus Section 44, Allotment 34 Granville, Konedobu Port Moresby National Capital District Papua New Guinea
Postal address	PO Box 1817 Waterfront National Capital District, 121 Papua New Guinea
Address for service	Suite 2, Level 3, PWC Haus Section 44, Allotment 34 Granville, Konedobu Port Moresby National Capital District Papua New Guinea
Directors of the Trustee	Mark Soipang (appointed 13 December 1996) Joseph Braun (appointed 30 November 2011) Jerry Morrus (appointed 22 May 2016) Lawrence Rausim (appointed 15 March 2022) Fidelia Amoi Yohang (appointed 15 March 2022) John Yaspot (appointed 15 March 2022) David Andrew McDougall (appointed 12 June 2025)
Chief Executive Officer	Lawrence Rausim
Secretary of the Trustee	Bruce Apana (appointed on 15 May 2019)
Auditors	KPMG, Chartered Accountants PNG Nambawan Plaza Level B2, McGregor Street Port Moresby, 121 NCD Papua New Guinea
Bankers	Bank of South Pacific Limited Australia & New Zealand Banking Group (PNG) Limited Westpac Bank PNG Limited Kina Bank Limited

Independent Auditor's Report

To the unitholders of Lihirians Equity Trust

Opinion

We have audited the **Financial Statements** of Lihirians Equity Trust (the Trust).

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of Lihirians Equity Trust as at 31 December 2025, and of its financial performance and its cash flows for the year then ended, in accordance with the basis of preparation described in Note 2 to the Financial Statements.

The **Financial Statements** comprises:

- Statement of financial position as at 31 December 2025
- Statement of profit or loss and other comprehensive income, Statement of changes in equity and Statement of cash flows for the year then ended; and
- Notes, including material accounting policies

Basis for opinion

We conducted our audit in accordance with *International Standards on Auditing*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements of the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Statements in Papua New Guinea. We have fulfilled our other ethical responsibilities in accordance with these requirements.

We confirm that we have remained independent as required by the Code throughout the period of our audit and to the date of this Auditor's Report.

Emphasis of matter – Basis of preparation and restriction on use and distribution

We draw attention to Note 2 to the Financial Statements, which describes the basis of preparation.

The Financial Statements have been prepared to assist the Directors of MRL Capital Limited, the Trustee of Lhirians Equity Trust, in meeting the financial reporting requirements of the Trust Deed.

As a result, the Financial Statements and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the unitholders of the Trust and should not be used or distributed to parties other than the unitholders of the Trust. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Statements to which it relates, to any person other than the unitholders of the Trust or for any other person than that for which it was prepared.

Other Information

Other Information is financial and non-financial information in the Lihirians Equity Trust's annual report which is provided in addition to the Financial Statements and the Auditor's Report. The Directors of the Trustee are responsible for the Other Information.

Our opinion on the Financial Statements does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Statements

The Directors of MRL Capital Limited (the Trustee) are responsible for:

- the preparation and fair presentation of the Financial Statements in accordance with the financial reporting requirements of the Trust Deed and have determined that the basis of preparation described in Note 2 to the Financial Statements is appropriate to meet the needs of the unitholders.
- implementing necessary internal control to enable the preparation of Financial Statements that is free from material misstatement, whether due to fraud or error.
- assessing the Trust's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objective is:

- to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *International Standards of Auditing* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

As part of an audit in accordance with International Standards of Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.

- Conclude on the appropriateness of those charged with governance's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG
Chartered Accountants



Suzaan Theron
Partner
Registered under the Accountants Act 1996

Port Moresby
10 August 2026

DIRECTORS' REPORT

The Directors of the Trustee present their report together with the financial statements of Lihirians Equity Trust (the "LET") for the year ended **31 December 2025** and the auditor's report thereon. MRL Capital Limited is the Trustee (the "Trustee") of the LET.

Directors of the Trustee

The Directors of the Trustee during the year:

Name	Position	Appointed/Resigned
Mr Mark Soipang	Chairman	Appointed 13 December 1996
Mr Joseph Braun	Director	Appointed 30 November 2011
Mr Jerry Morrus	Director	Appointed 22 May 2016
Mr Lawrence Rausim	Director	Appointed 15 March 2022
Ms Fidelia Amoi Yohang	Director	Appointed 15 March 2022
Mr John Yaspot	Director	Appointed 15 March 2022
Mr David Andrew McDougall	Director	Appointed 12 June 2025

Secretary

Mr Bruce Apana is the Company Secretary for the Trustee during the year.

State of affairs

In the opinion of the Directors, the accompanying statement of financial position is presented fairly, in all material respects as at 31 December 2025, the accompanying statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows are presented fairly, in all material respects the results of the LET for the year ended.

Activities

The principal activity of the LET is to hold investment assets, including a selection of term deposits, equity investments (listed and unlisted) and commercial real estate in trust, on behalf of the beneficiaries of the LET.

Results

The total comprehensive income for the year was K82,326,455 (2024: total comprehensive loss of K18,775,015).

Distributions to Beneficiaries

On 10 September 2025, the Directors of the Trustee declared a distribution for the 2024 financial year of K4,815,449 (2024: The distribution for the 2023 financial year of K6,023,940 was declared on 7 August 2024).

Matters or circumstances arising after the end of the year

On 12 December 2025, South Sea Lines Limited (a wholly owned subsidiary of the LET) entered into an agreement with Argo Lihir Limited (renamed to Argo South Sea Limited on 26 January 2026), a related party, for the sale of its operating business and associated assets, including vessels, plant and equipment, container fleet and office equipment, in exchange for the issue of 5,142 Class B redeemable convertible preference shares (BRCPS) and 100 Ordinary shares in Argo Lihir Limited. The BRCPS will be progressively redeemed over the next 3 years, subject to Argo Lihir Limited management achieving profitability targets as set out in the Shareholders Agreement.

Whilst certain transaction documents were executed on 12 December 2025, those documents expressly provided for a completion date of 31 March 2026. The transaction became effective on 1 March 2026, on which date the relevant share certificates were issued to South Sea Lines Limited. All conditions precedent to the transaction were fulfilled, and all related waiver documentation was executed, by 31 March 2026.

The Board of Directors are of the view that the transaction constitutes a non-adjusting event in accordance with IAS 10 Events after the Reporting Period, as the substantive conditions giving rise to the transaction, including the satisfaction of all conditions precedent, the execution of waiver documentation, and the issue of share certificates, arose after the reporting date. Accordingly, the financial statements for the year ended 31 December 2025 have not been adjusted to reflect the transaction.

The financial impact of the transaction is currently being assessed. The Directors are of the opinion that the transaction is material to the financial position of the Company and will be reflected in full in the financial statements for the period in which completion occurred.

Other than the matter disclosed above, no other matter or circumstance has arisen since the reporting date that has significantly affected, or may significantly affect, the operations of the LET, the results of those operations, or the state of affairs of the LET in future financial periods.

Signed on behalf of the Board of Directors of MRL Capital Limited as Trustee.



Mark Soipang
Chairman Emeritus
7 August 2026



Lawrence Rausim
Managing Director
7 August 2026

TRUSTEE DECLARATION

In the opinion of the Directors of MRL Capital Limited, the Trustee to the Lihirians Equity Trust (the "LET"):

(a) the financial statements comply with the applicable financial reporting standards approved for use in Papua New Guinea by the Accounting Standards Board;
(b) the financial statements of the LET, as set out on pages 8 to 45, are drawn up so that it is presented fairly in all material respects for the financial position as at 31 December 2025, and of its results, cash flows and changes in equity for the financial year ended on the date;
(c) there are reasonable grounds to believe the LET will be able to pay its debts as and when they become due and payable;
(d) the financial statements and notes are set out in accordance with International Financial Reporting Standards (issued by the International Accounting Standards Board); and
(e) The LET has operated in accordance with the provisions of the Trust Deed.

Signed at Port Moresby on this 7th day of August 2026.



Mark Soipang
Chairman Emeritus



Lawrence Rausim
Managing Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

		2025	2024
Operating income	**Note**	**K**	**K**
Interest income	6	8,610,795	11,252,722
Dividend income - PNG listed and unlisted shares	7	2,058,688	3,717,576
Rental income	8	1,116,341	1,126,143
Other income	9	318,438	473,296
		12,104,262	**16,569,737**
Property expenses	10	(770,343)	(677,666)
Total operating income		**11,333,919**	**15,892,071**
Operating expenses			
Reimbursement of Trustee personnel expense	11	(5,311,036)	(5,162,575)
Reimbursement of Trustee Directors expenses	12	(2,467,360)	(2,141,006)
Professional expenses	13	(547,801)	(490,231)
General administration expenses	14	(2,114,551)	(1,309,851)
Depreciation	26	(508,909)	(584,077)
Unrealised foreign exchange gain/(loss)		1,036,787	(244,357)
Expected credit losses on loan receivables	16	-	(1,979,465)
Total operating expense		**(9,912,870)**	**(11,911,562)**
Profit before income tax		**1,421,049**	**3,980,509**
Income tax benefit/(expense)	15(a)	115,582	(705,178)
Profit for the year		**1,536,631**	**3,275,331**
Other comprehensive income/(loss), net of tax			
Equity investments at FVOCI – net change	25(c)	80,789,824	(22,050,346)
Total comprehensive income/(loss) for the year		**82,326,455**	**(18,775,015)**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Note	Settled sum	Fair value reserve	Retained earnings	Total
		K	K	K	K
Balance at 1 January 2024		10	96,821,701	427,673,123	524,494,834
Profit for the year		-	-	3,275,331	3,275,331
Other comprehensive loss		-	(22,050,346)	-	(22,050,346)
Total comprehensive income		**-**	**(22,050,346)**	**3,275,331**	**(18,775,015)**
Transactions with beneficiaries of the LET, recognised directly in equity					
Distributions declared	30	-	-	(6,023,940)	(6,023,940)
Balance at 31 December 2024		**10**	**74,771,355**	**424,924,514**	**499,695,879**
Balance at 1 January 2025		10	74,771,355	424,924,514	499,695,879
Profit for the year		-	-	1,536,631	1,536,631
Other comprehensive income		-	80,789,824	-	80,789,824
Total comprehensive income		**-**	**80,789,824**	**1,536,631**	**82,326,455**
Transactions with beneficiaries of the LET, recognised directly in equity					
Distributions declared	30	-	-	(4,815,449)	(4,815,449)
Balance at 31 December 2025		**10**	**155,561,179**	**421,645,696**	**577,206,885**

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		2025	2024
Assets	**Note**	**K**	**K**
Cash	17	4,104,384	5,239,586
Term deposits	18	2,401,082	2,367,882
Trade and other receivables	20	4,217,518	4,112,868
Accrued interest on GIS and deposits		1,074,339	1,121,203
Current tax receivable	15(b)	15,424,162	14,104,186
Related party loans and receivables	19	24,982,868	27,265,937
PNG Government fixed income securities	22	72,310,435	72,990,971
PNG listed and unlisted shares	23	38,170,386	33,585,404
Investment properties	24	14,276,744	14,215,073
Shares in Australian subsidiary	25(a)	374,280,489	297,474,678
Shares in PNG subsidiary	25(b)	34,484,465	35,025,436
Property and equipment	26	2,760,317	616,351
Total assets		**588,487,189**	**508,119,575**
Liabilities			
Trade and other payables	21	3,373,340	3,479,059
Trustee benefits	28	4,273,313	3,469,797
Lease liabilities	27(b)	2,382,085	107,692
Deferred tax liability (net)	15(c)	1,251,566	1,367,148
Total liabilities		**11,280,304**	**8,423,696**
Net assets		**577,206,885**	**499,695,879**
Equity			
Settled sum		10	10
Fair value reserve	31	155,561,179	74,771,355
Retained earnings		421,645,696	424,924,514
Total equity		**577,206,885**	**499,695,879**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Note	2025 K	2024 K
Cash flows from operating activities			
Interest income received		8,610,795	11,252,722
Rental income received		1,116,341	1,126,143
Dividends received		2,058,688	3,717,576
Payments to suppliers and employees		(10,211,671)	(10,711,968)
Net cash generated from operating activities		**1,574,153**	**5,384,473**
Cash flows from investing activities			
Proceeds from maturity of PNG GIS		7,500,000	-
Proceeds from maturity of PNG GIS re-invested		(7,000,000)	-
Payments for capital expenditure for investment property		(61,671)	(65,861)
Purchase of property and equipment	26	(71,671)	(20,655)
Repayment of loan to related parties		(425,371)	(2,829,466)
Net cash generated from/(used in) investing activities		**(58,713)**	**(2,915,982)**
Cash flows from financing activities			
Distributions paid	30	(2,093,005)	(2,096,246)
Payment of lease liabilities	27(c)	(557,637)	(647,246)
Net cash used in financing activities		**(2,650,642)**	**(2,743,492)**
Net decrease in cash and cash equivalents held		(1,135,202)	(275,001)
Cash and cash equivalents at beginning of the year		5,239,586	5,514,587
Cash and cash equivalents at end of the financial year	17	**4,104,384**	**5,239,586**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

1 General

The Lihirians Equity Trust (the "LET") is a Trust domiciled in Papua New Guinea and is a for-profit entity. The administrative address of the Trust and MRL Capital Limited, the Trustee of the Trust (the "Trustee"), is Level 3 PWC Haus, Harbour City, Port Moresby, Papua New Guinea.

The principal activity of the LET is to hold investment assets, including a selection of term deposits, equity investments (listed and unlisted) and commercial real estate in trust, on behalf of the beneficiaries of the LET.

The LET did not have any employees during the financial year ended 31 December 2025.

2 Disclosure on standards

The financial statements have been prepared on the historical cost convention basis except for the following material items in the statement of financial position:

- listed domestic equities at fair value through profit or loss (FVTPL) are measured at fair value;
- financial assets at fair value through other comprehensive income are measured at fair value (FVOCI); and
- investment properties are measured at fair value (Note 24).

The financial statements have been presented on a going concern basis.

Trust requirements

To qualify as an investment entity, certain criteria have to be met. Specifically, an entity is an investment entity when it:

- obtains funds from one or more investors for the purpose of providing them with professional investment management services;
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both;
- measures and evaluates performance of substantially all of its investments on a fair value basis.

The Trust meets all of the above requirements.

Statement of compliance

The special purpose financial statements of the Trust have been prepared in accordance with the International Financial Standards ("IFRSs") as adopted by the Accounting Standards Board of Papua New Guinea ("ASB"), and the Trust Deed. Accordingly, the financial statements may not be suitable for another purpose. The financial statements are intended solely for use of the Lihirians Equity Trust, the Trustee and its Directors and its members / beneficiaries.

3 Foreign currency transactions

(a) Functional and presentation currency

The financial statements are presented in the Papua New Guinea currency, the Kina (K) which is the LET's functional currency.

(b) Transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non- monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are generally recognised in profit or loss. However, foreign currency differences arising from the retranslation of available-for-sale equity investments are recognised in other comprehensive income (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss).

4 Summary of material accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

(a) Use of estimates and judgement

The preparation of the financial statements in conformity with Special Purpose Frameworks requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about critical judgement in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 4 (m) determination of fair value.

(i) Judgements

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is:

- lease term: whether LET is reasonably certain to exercise extension options.

(ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the year ended 31 December 2025 are:

- investment properties: at fair value;
- financial assets: estimate of the expected return;
- property and equipment: useful lives of property, plant and equipment for depreciation purposes;
- measurement of expected credit losses (ECL) allowance for receivables: key assumptions about the likelihood and magnitude of an outflow of resources; and
- recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used.

(b) Revenue recognition

(i) Interest income and expenses

Interest income and expense are recognised in profit or loss using the effective interest rate method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the LET estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

Interest income and expense presented in the statement of profit or loss and other comprehensive income comprises of interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis.

Fair value changes on other derivatives held for risk management purposes, and all other financial assets and liabilities carried at fair value through profit or loss, are presented in net trading income in statement of profit or loss and other comprehensive income.

For presentation purposes, interest income is offset against amortisation expense of premium on Papua New Guinea government inscribed stocks. Amortisation expense is calculated using the straight line method. Discounts on Papua New Guinea treasury bills are recorded as interest income using the straight line method. The effects of the straight line method do not materially vary from the effective interest method.

(ii) Dividend income

Dividend income is recognised when the right to receive income is established. Usually this is the ex- dividend date for equity securities. Dividends are presented in net trading income. Dividends on equity instruments designated as at fair value through other comprehensive income are presented in other revenue in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment, in which case it is presented in other comprehensive income.

(iii) Net trading income

Results arising from trading activities include all gains and losses from changes in fair value and related interest income or expense and dividends for financial assets and financial liabilities 'held for trading'.

(iv) Fees and commission

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income, including account servicing fees, investment management fees, sales commission, placement fees and syndication fees, are recognised as the related services are performed.

When a loan commitment is not expected to result in the draw-down of a loan, the related loan commitment fees are recognised on a straight-line basis over the commitment period.

Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

(c) Cash

Cash comprises cash on hand, at bank and term deposits with an original term of 3 months or less. For the purposes of the statement of cash flows, cash includes cash on hand and in banks, net of outstanding bank overdrafts.

(d) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self- constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. The website, which is integral to the functionality of the Company, is capitalised as part of that property and equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(i) Subsequent expenditure

The cost of replacing a component of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the part will flow to the LET, and its cost can be measured reliably. The cost of the day-to-day servicing of property and equipment is recognised in profit or loss as incurred.

(ii) Depreciation

Property and equipment including office equipment, furniture and fittings and motor vehicles are depreciated using a combination of straight line and reducing balance method, at rates which will write off the costs of those assets over their expected useful lives. The method of write off and the rates used are those considered appropriate to each class of asset.

The depreciation rates used for each class of asset for the current and comparative years are as follows:

Office equipment	15% to 20%
Furniture and fittings	10%
Motor vehicles	30%
Computer equipment	11% to 20%
Website	3%

(e) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Rental income from investment properties are recognised as revenue on a straight line basis over the term of the lease.

The cost expenditure from investment properties relates to the day to day maintenance of investment properties that are not recognised / capitalised to the asset and are therefore expense. Such costs would normally include repairs and maintenance, labour and other costs relating to maintaining the property on daily basis.

Investment property is derecognised by the Trust upon its disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(f) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

(g) Trustee employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the reporting date at the future expected cost.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the LET pays fixed contributions on behalf of the employees of the Trustee into separate entities such as National Superannuation Fund and will have no legal or constructive obligation to pay further contributions if any of the funds does not hold sufficient assets to pay all employee benefits relating to employee service in the current and preceding financial years. The LET's contribution to defined contribution plans are recognised as employee benefit expense when they are due.

(iii) Directors retirement benefits

Directors' retirement benefits are recognised when they accrue to Directors. A provision is made for the estimated liability as a result of services rendered by Directors up to the reporting date at the future expected cost.

(h) Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Additional taxes that arise from distribution made by the LET to beneficiaries are recognised at the same time as the liability to pay the related distribution is recognised.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.
There are no differences between the tax treatment of an LET under Papua New Guinea's tax legislation.

(i) Leases

At inception of a contract, LET assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, LET uses the definition of a lease in IFRS 16.

As a lessee

LET recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to LET by the end of the lease term or the cost of the right-of-use asset reflects that LET will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, LET's incremental borrowing rate. Generally, LET uses its incremental borrowing rate as the discount rate.

LET determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that LET is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless LET is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in LET's estimate of the amount expected to be payable under a residual value guarantee, if LET changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

LET presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in 'lease liabilities' in the statement of financial position.

Short-term leases and leases of low-value assets

The LET has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The LET recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(j) Provision and contingent liabilities

Provisions are recognised when:

i. LET has a present obligation (legal or constructive) as a result of a past event;
ii. it is probable that the LET will be required to settle the obligation; and
iii. a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Amounts are considered contingent liabilities when:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the LET; or
- a present obligation that arises from past events but is not recognised because:
  i. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
  ii. the amount of the obligation cannot be measured with sufficient reliability.

(k) Financial instruments

(i) Recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the LET becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI equity investments or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the LET changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the LET may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the LET may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The LET makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the LET's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the LET considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the LET considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the LET's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Financial assets: Subsequent measurement and gains and loss

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets amortised at cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The LET derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the LET neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The LET enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The LET derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The LET also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Modifications of financial assets

If the terms of a financial asset are modified, the LET evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (iii)) and a new financial asset is recognised at fair value.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the LET currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(l) Impairment

(i) Non-derivative financial assets

Financial instruments

The LET recognises loss allowances for ECLs on financial assets measured at amortised cost.

No impairment loss is recognised on equity investment.

The LET measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-months on the ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the LET considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the LET's historical experience and informed credit assessment and including forward-looking information.

The LET assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The LET considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the LET in full, without recourse by the LET to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The LET considers another receivable or cash balance to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade".

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the LET is exposed to credit risk.

Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flow due to the entity in accordance with the contract and the cash flows that the LET expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the LET assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Credit-impaired financial assets

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the LET on terms that the LET would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the LET determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the LET's procedures for recovery of amounts due.

(i) Non-financial assets

The carrying amounts of the LET's non-financial assets, other than inventories and investment property are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

(m) Determination of fair values

A number of the LET's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Receivables

The fair value of receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. In respect of the liability, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option.

(iii) Investment property

An external independent valuation company, having appropriately recognised professional qualifications and recent experience in the location and category of property being valued, values the investment property portfolio every two years. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. Investment properties are independently revalued by an external independent valuer every 3 years and every other year by an internal directors valuation, are thus carried at fair value less accumulated depreciation and impairment losses.

(iv) Investment in equity securities

The fair value of financial assets at fair value through profit or loss and at fair value through other comprehensive income in the investment portfolio are determined by the reference to their quoted closing bid price at the reporting date.

(v) Unquoted investments

The fair value is determined by the use of the most appropriate valuation technique depending on the characteristic of the unquoted equity instrument and the information that is reasonably available to the LET.

(n) Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of equity investments measured at fair value through other comprehensive income. When such equity instruments are derecognised the related cumulative amount in the fair value reserve is transferred to retained earnings.

5 New accounting standards or amendments and forthcoming requirements

(a) New effective standards

A number of new standards and amendments to standards are effective for the annual reporting period beginning 1 January 2025. However, the Trust did not apply the following standard as it does not have a material effect on the Trust's financial statements.

- Amendments to IAS 21, Lack of Exchangeability

(b) Accounting standards issued but not yet effective

A number of new accounting standards are effective for the annual reporting periods beginning after 1 January 2026 and earlier application is permitted. However, the Trust has not early adopted the following new or amended accounting standards in preparing these financial statements.

(i) IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

LET is still in the process of assessing the impact of the new standard, particularly with respect to the structure of LET's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. LET is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

(ii) Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on LET's financial statements.

- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), effective on or after 1 January 2026.
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7), effective on or after 1 January 2026.
- Annual improvements on IFRS Accounting Standards-Volume 11, effective on or after 1 January 2026.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures, effective on or after 1 January 2027.

6 Interest income

	2025	2024
	K	K
PNG Government fixed income securities	8,745,924	9,087,935
Premium amortisation on PNG Government fixed income securities	(422,897)	(399,675)
Loans - net interest income (i)	285,102	2,563,017
PNG interest bearing deposits	365	279
Australian interest bearing deposits	2,301	1,166
	8,610,795	**11,252,722**

(i) In 2025, interest income on loans related to Argo Lihir Limited and Lihir Investment Fund (2024: interest income on loans related to Anitua Limited, Unawos, and Argo Lihir Limited).

7 Dividend income

	2025	2024
	K	K
South Sea Lines Limited	-	2,000,000
Bank South Pacific Limited	1,653,560	1,460,161
Gazelle International Hotel	350,000	200,000
Credit Corporation Limited	55,128	57,415
	2,058,688	**3,717,576**

8 Rental income

	2025	2024
	K	K
Blue Orchid Apartments	413,248	407,528
Doyle Street	398,025	429,175
Eagle Street	305,068	289,440
	1,116,341	**1,126,143**

9 Other income

	2025	2024
	K	K
Other income	326,287	473,145
Foreign exchange (loss) / gain	(7,849)	151
	318,438	**473,296**

10 Property expenses

	2025	2024
	K	K
Blue Orchid Apartments	291,892	246,112
Doyle Street	257,371	238,368
Eagle Street	198,200	193,186
Gordons Property	22,880	-
	770,343	**677,666**

11 Reimbursement of Trustee personnel expense

	2025	2024
	K	K
Salaries and wages	3,276,943	3,107,307
Consulting fees	958,618	1,138,330
Staff travel expense	634,273	514,355
Staff allowances	266,055	250,333
Contributions to superannuation	127,526	117,796
Other staff expenses	47,621	34,454
	5,311,036	**5,162,575**

The reimbursement of Trustee personnel expenses paid by the Trust on behalf of the Trustee. These are expenses incurred while attending to the Trust obligations.

12 Reimbursement of Trustee Directors expenses

	2025	2024
	K	K
Directors fees	986,630	900,000
Directors travel expense	656,333	597,687
Directors retirement	483,333	263,219
Directors allowances	161,364	171,175
Retirement clan chairman	144,000	144,000
Directors and officers liability cover	35,700	64,925
	2,467,360	**2,141,006**

The reimbursement of Trustee Directors expenses paid by the Trust on behalf of the Trustee. These are expenses incurred while attending to the Trust obligations.

13 Professional expenses

	2025	2024
	K	K
Audit fees to KPMG in relation to audit of financial statements	257,701	253,100
Fees to KPMG in relation to tax services	194,687	208,371
Fees to KPMG in relation to financial statements preparation	15,500	15,000
Legal fees	79,913	13,760
	547,801	**490,231**

14 General administration expenses

	2025	2024
	K	K
Utilities, overheads, rent and rates	1,492,317	650,481
Subscriptions and memberships	227,320	210,134
Insurance	191,398	242,210
Motor vehicle expenses	102,174	111,444
Advertising	12,027	6,295
Bank charges	6,178	31,165
Repairs and maintenance	1,849	6,364
Office supplies	420	15,728
Interest expense	79,699	34,553
Other expenses	1,169	1,477
	2,114,551	**1,309,851**

15 Taxes

(a) Income tax (benefit) / expense

	2025	2024
	K	K
Profit for the year	1,421,049	3,980,509
Income tax on the profit at 30%	426,315	1,194,153
Under / (over) provision in prior years	-	201,376
Tax effect of permanent differences	(307,988)	657,989
Dividend rebate	(284,719)	(1,115,273)
Deferred tax movement	50,810	(233,067)
Income tax (benefit) / expense	**(115,582)**	**705,178**
Income tax (benefit) / expense comprises:		
Current income tax	-	272,328
Deferred income tax	(115,582)	231,474
Under provision in prior years	-	201,376
Income tax (benefit) / expense	**(115,582)**	**705,178**

(b) Income tax receivable

	2025	2024
	K	K
Balance at 1 January	14,104,186	13,213,121
Current income tax	(284,719)	(1,387,601)
Under / (over) provision in prior years	-	(201,387)
Interest withholding tax (IWT)	1,319,976	1,364,780
Dividend rebate	284,719	1,115,273
Balance at 31 December	**15,424,162**	**14,104,186**

(c) Net deferred tax liability

	2025	2024
	K	K
Deferred tax asset		
Balance at 1 January	1,152,177	1,274,962
Net movement for the year	928,502	(122,785)
Balance at 31 December	**2,080,679**	**1,152,177**
Deferred tax liability		
Balance at 1 January	(2,519,325)	(2,410,636)
Net movement for the year	(812,920)	(108,689)
Balance at 31 December	**(3,332,245)**	**(2,519,325)**
Net deferred tax liability	**(1,251,566)**	**(1,367,148)**
This balance comprises the tax effect of:		
Accrued audit fees	84,060	78,930
Provision for long service leave	306,425	253,570
Provision for Directors retirement	726,569	581,569
Provision for loan	249,000	205,800
Right-of-use lease liability	714,625	32,308
	2,080,679	**1,152,177**
Fixed asset temporary difference	(1,581,196)	(745,783)
Interest receivable	(1,731,933)	(1,745,993)

Prepaid insurance	(19,116)	(27,549)
	(3,332,245)	**(2,519,325)**
Net deferred tax liability	**(1,251,566)**	**(1,367,148)**

16 Expected credit losses on loan receivables

	2025	2024
	K	K
Provision for expected credit losses	-	1,979,465

There were no expected credit losses (2024: Expected credit losses related to Anitua Limited, Clan Companies, and Pacific Oil Management Limited).

17 Cash

	2025	2024
	K	K
Cash at bank	4,103,873	5,239,075
Cash on hand	511	511
	4,104,384	**5,239,586**

18 Term deposits

	2025	2024
	K	K
Term deposits	2,401,082	2,367,882

Term deposits presented in the statement of financial position are deposits made by the Trust to Kina Bank with a maturity date of 12 months with a 2.20% (2024: 2%) interest rate.

19 Related party loans and receivables

	2025	2024
	K	K
Loans to clan companies - non-current (i)	7,511,253	7,511,253
Expected credit loss on loans to clan companies - non-current	(331,977)	(331,977)
Loan to Anitua Limited (ii)	18,193,547	18,193,547
Expected credit loss on Anitua loan	(18,193,548)	(18,193,548)
Loan to Lihir Development Finance Corporation - non-current (iii)	4,761,214	4,756,446
Receivable / (payable) from / (to) MRL Foundation - current	(1,244,296)	(255,443)
Loan to Mineral Resources Lihir Pty Limited - non-current	8,145,225	9,324,618
Advances to staff and directors of the Trustee - current	2,654,326	1,837,714
Loan to Argo Lihir Limited - non-current	2,500,323	3,322,983
Loan to Pacific Oil Management Limited (iv)	541,117	541,117
Expected credit loss on Pacific Oil Management Limited	(541,117)	(541,117)
MRL Funds Management Limited	693,871	451,015
Lihir Investment Fund	-	404,278
South Sea Lines Limited	171,260	135,278
MRL Property Services Limited	79,989	96,657
Lihir Farms Limited	12,755	13,116
Loan to Destiny Sustainable Agro Limited	28,926	-
	24,982,868	**27,265,937**

(i) In 2014, LET's Board of Trustee created the "30 million Clan Company Facility". The approved policy enables the clan companies to borrow up to K5 million for the purpose of investing those funds in projects which would be income generating. As part of the clan loan agreement, the LET holds security against the assets that were acquired from the loans lent to the Clan companies. In the 2023 financial year, Board of Trustee resolved to windup the Clan Company Facility and undertake the process of transferring the assets to the LET.

(ii) Anitua Limited and LET entered into a loan agreement to extend the existing loan facility amount to K18.1 million (2024: K18.1 million). The loan facility is for Anitua Limited to assist in funding costs relating to the ongoing operations of the Lihir Farm Project and other Anitua operations, and for projects as agreed between the borrower and the lender. The current

financial position of Anitua precludes an offer to convert its current debt to equity. As at 31 December 2025, management recognised an expected credit loss against the loan balance of K18.1 million.

(iii) LET provided funds to wholly owned entity, "Lihir Development Finance Corporation" ("LDFC") as a loan. LDFC was established to provide finance to support Lihirian owned business or development of new business and industries on Lihir. The base facility amount is four million Kina (K4,000,000) with a cost overrun facility of five hundred thousand Kina (K500,000). The term of the loan is seven (7) years with facility arrangements fee of 1.0% and interest rate of 10% per annum fixed for 2 years, with review thereafter. The payment of the loan will commence upon completion of the asset construction associated with the loan.

(iv) LET lent funds to Pacific Oil Management Limited of K0.54 million in 2023. This loan was fully provided for as at 31 December 2024.

20 Trade and other receivables

	2025	2024
	K	K
Trade debtors - current	88,387	220,176
GST receivable - current	3,490,158	3,231,251
Prepayment - current	342,613	382,798
Sundry debtors - current	139,080	134,245
Dividend withholding tax - current	98,748	98,748
Rent receivable from tenants - current	51,651	29,590
Funds withheld by agent - current	6,881	16,060
	4,217,518	**4,112,868**

21 Trade and other payables

	2025	2024
	K	K
Trade payables and accruals - current	1,631,213	1,823,337
BSS liability - non-current (a)	1,219,443	1,602,755
Distributions payable - current (b)	355,048	40,328
Payroll tax payable - current	167,636	12,639
	3,373,340	**3,479,059**

(a) BSS liability - non-current

BSS liability relates to the Beneficiary Savings Scheme (BSS), which closed in 2024. Most BSS members used their funds to acquire units in the Lihir Investment Fund (LIF). MRL is working with the remaining members to assist them to transfer their funds.

(b) Distributions payable

	2025	2024
	K	K
Balance at 1 January	40,328	45,540
Add: Distributions declared (refer to Note 30)	4,815,449	6,023,940
Less: MRL Foundation receivable	(2,407,725)	(3,677,784)
Less: Cash paid (refer to Note 30)	(2,093,004)	(2,096,246)
Less: Beneficiaries acquiring units in the LIF	(293,410)	(255,122)
Balance at 31 December	**61,638**	**40,328**

22 PNG Government fixed income securities

	2025	2024
	K	K
Par value PNG government fixed income securities	71,700,000	72,200,000
Net premium on government fixed income securities	610,435	790,971
	72,310,435	**72,990,971**

23 PNG listed and unlisted shares

	2025	2024
	K	K
PNG listed shares (i)	31,510,384	26,985,400
Investment in MRL Funds Management	2	2
Investment in MRL Property Services	60,000	2
Investment in Gazelle International Hotel	6,600,000	6,600,000
	38,170,386	**33,585,404**

Balance at 1 January	33,585,404	28,462,465
Adjustment of investment to fair value	4,524,984	5,122,935
Adjustment of investment in MRL Funds Management	-	4
Addition of investment from MRL Properties	59,998	-
Balance at 31 December	**38,170,386**	**33,585,404**

(i) Listed shares

	Number of shares	Share price	Shares at market value
		K	K
2025			
BSP Financial Group Limited	966,994	24.55	23,739,703
Credit Corporation Limited	228,747	4.63	1,059,099
City Pharmacy Limited	10,325,510	0.65	6,711,582
			31,510,384

2024			
BSP Financial Group Limited	966,994	19.90	19,243,181
Credit Corporation Limited	228,747	2.7	617,617
City Pharmacy Limited	10,325,510	0.69	7,124,602
			26,985,400

PNG listed and unlisted shares are classified as at FVOCI. Any changes in the value of the investments are recorded in other comprehensive income and fair value reserve.

24 Investment properties

The investment properties consist of three apartments and vacant land. Doyle apartment is located at Section 36, Allotment 35, Cnr of Doyle Street and Milford Haven Road, Lae, the 5 mile property is located at Section 82, Allotment 4, Hedu Street, Gordons, Port Moresby, while Blue Orchid apartment is located at Section 10, Allotment 5, Boroko Drive, Boroko, Port Moresby and Eagle apartments are located at Section 101, Allotment 7, Cnr of Eagle Street and Cassowary Road, Lae.

	2025	2024
	K	K
Doyle Apartment	5,240,068	5,240,068
Blue Orchid Apartment	4,693,926	4,632,255
Eagle Apartment	3,500,000	3,500,000
5 Mile Property	842,750	842,750
	14,276,744	**14,215,073**

	2025	2024
	K	K
Balance at 1 January	14,215,073	14,149,212
Additions during the year	61,671	65,861
Balance at 31 December	**14,276,744**	**14,215,073**

Measurement of fair value, fair value model and significant unobservable inputs

Information about how the fair values of the LET's investment properties are determined (in particular, the valuation method(s) and inputs used) is detailed as follows:

The fair value of the properties has been assessed by taking into consideration various sales within Port Moresby, Lae and adjusted according to the type of development, age and condition of improvements, location and the size of the land area. The last valuation was conducted by "The Professionals" in 2024. In 2025, "The Professionals" again conducted another valuation, however, there were no significant changes to the property values as at 31 December 2025. The fair value movement during the year is nil.

Direct capitalisation is the fair valuation model, which considers the annual gross income of the property adjusted for vacancies and expenses. The net operating income is divided by a capitalisation rate. The capitalisation rate is derived from comparable markets transactions and adjusted for certain property specific characteristics such as the physical deterioration of the property and its location (prime or secondary). Key unobservable input includes the capitalisation rates of 12% (2024: 12%) and market lease rates.

The LET has no restrictions on its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. In the current year and prior year, the Board of Trustee assessed that the carrying value of the investment properties are fairly stated.

Operating lease arrangements

Rental income earned from investment properties amounted to K1,116,341 (2024: K1,126,143). Costs of investment property operations recognised under "property expenses" (Note 10) amounted to K770,343 (2024: K677,666).

25 Shares in Australian subsidiary and PNG subsidiary

(a) Shares in Australian subsidiary

	2025	2024
	K	K
Balance at 1 January	297,474,678	322,943,992
Impact of foreign exchange translation	42,816,723	(8,150,893)
Adjustment of investment to fair value	33,989,088	(17,318,421)
Balance at 31 December	**374,280,489**	**297,474,678**

The increase in the investment balance during the year was driven by growth in the underlying net assets of the subsidiary arising from its business activities, together with favourable foreign exchange movements.

(b) Shares in PNG subsidiary - South Sea Lines

	2025	2024
	K	K
Balance at 1 January	35,025,436	36,729,404
Adjustment of investment to fair value	(540,971)	(1,703,968)
Balance at 31 December	**34,484,465**	**35,025,436**

Shares in Australian subsidiary Mineral Resources Lihir Pty Ltd and shares in South Sea Lines Limited are classified as equity investment at FVOCI. Any changes in the value of the investments are recorded in Other Comprehensive Income and Fair Value Reserve.

(c) Reconciliation for equity investments at FVOCI - net change

	2025	2024
	K	K
Shares in Australian subsidiary - impact of foreign exchange translation	42,816,723	(8,150,893)
Shares in Australian subsidiary - fair value adjustment on investment	33,989,088	(17,318,421)
Shares in PNG subsidiary - South Sea Lines - fair value adjustment on investment	(540,971)	(1,703,968)
PNG listed shares - fair value adjustment on investment	4,524,983	5,122,936
	80,789,823	**(22,050,346)**

26 Property and equipment

	Furniture, fixtures & fittings	Motor vehicles	Office equipment	Computer equipment	Website	Office fit-out	Right-of-use assets	Total
	K	K	K	K	K	K	K	K
Cost								
Balance at 1 January 2024	181,087	1,137,186	230,030	226,567	23,390	1,756,972	3,120,242	6,675,474
Additions	-	-	4,207	16,449	-	-	-	20,656
Balance at 31 December 2024	**181,087**	**1,137,186**	**234,237**	**243,016**	**23,390**	**1,756,972**	**3,120,242**	**6,696,130**
Additions	-	-	48,408	23,263	-	-	2,581,204	2,652,875
Balance at 31 December 2025	**181,087**	**1,137,186**	**282,645**	**266,279**	**23,390**	**1,756,972**	**5,701,446**	**9,349,005**
Accumulated depreciation								
Balance as at 1 January 2024	(108,421)	(700,526)	(144,322)	(147,994)	(18,606)	(1,756,972)	(2,618,861)	(5,495,702)
Depreciation expense	(17,871)	(114,419)	(22,744)	(18,121)	(702)	-	(410,220)	(584,077)
Balance at 31 December 2024	**(126,292)**	**(814,945)**	**(167,066)**	**(166,115)**	**(19,308)**	**(1,756,972)**	**(3,029,081)**	**(6,079,779)**
Depreciation expense	(17,794)	(90,593)	(26,742)	(19,423)	(701)	-	(353,656)	(508,909)
Balance at 31 December 2025	**(144,086)**	**(905,538)**	**(193,808)**	**(185,538)**	**(20,009)**	**(1,756,972)**	**(3,382,737)**	**(6,588,688)**
Carrying value at 31 December 2024	**54,795**	**322,241**	**67,171**	**76,901**	**4,082**	**-**	**91,161**	**616,351**
Carrying value at 31 December 2025	**37,001**	**231,648**	**88,837**	**80,741**	**3,381**	**-**	**2,318,709**	**2,760,317**

27 Leases

On 1 July 2025, the LET entered into a new agreement to lease Suite 2 Level 3 of PWC Haus for a term of 4 years and 11 months subject to early termination and rent review, expiring on 31 May 2030. This follows the previous lease for the premises which expired in February 2025. Information about leases for which the LET is a lessee is presented below:

(a) Right-of-use assets

	2025	2024
	K	K
Balance at 1 January	91,161	501,381
Addition	2,581,204	-
Depreciation charge for the year	(353,656)	(410,220)
Balance at 31 December	**2,318,709**	**91,161**

(b) Lease liabilities

	2025	2024
	K	K
Balance at 1 January	107,692	720,385
Additions	2,473,512	-
Interest expense	79,699	34,553
Lease payment	(278,818)	(647,246)
Balance at 31 December	**2,382,085**	**107,692**

(c) Amounts recognised in statement of cash flows

	2025	2024
	K	K
Total cash outflow for leases	557,637	647,246

(d) Lease commitments

At 31 December 2025 and 2024, the future minimum lease payments under non-cancellable operating leases were payable as follows.

	2025	2024
	K	K
Maturity analysis - Contractual undiscounted cash flow		
Less than one year	571,578	107,690
Between one and five years	2,174,415	-
Total undiscounted lease liabilities at 31 December	**2,745,993**	**107,690**
Future interest expenses	(363,908)	-
Lease liability	**2,382,085**	**-**

28 Trustee benefits

	2025	2024
	K	K
Directors' retirement benefits - current	2,421,896	1,938,563
Clan Chairman retirement benefits - current	830,000	686,000
Long service leave - non-current	1,021,417	845,234
	4,273,313	**3,469,797**

29 Related parties

Other than disclosed elsewhere in the financial statements, the following transactions took place between the LET and related parties during the financial year:

(a) Key management personnel compensation

	2025	2024
	K	K
Trustee retirement benefits	2,421,896	1,938,563
Clan Chairman retirement benefits - current	830,000	686,000
Reimbursement of Trustee - Directors expenses	2,467,360	2,141,006
	5,719,256	**4,765,569**

(b) Related party transactions and balances

	2025	2024
	K	K
Loan to Mineral Resources Lihir Pty Limited	8,145,225	11,171,628
Loan to Lihir Development Finance Corporation	4,761,214	4,659,892
Net receivable from clan companies	7,511,253	7,352,855
Advances to Trustee staff and Directors	1,410,030	1,357,944
	21,827,722	**24,542,319**

30 Distributions declared

	2025
	K
Declaration of 2024 distributions (i)	4,815,449
	4,815,449

(i) The Directors of the Trustee declared a distribution for 2024 financial year of K4,815,449 on 10 September 2025.

	2024
Distributions declared	K
Declaration of 2023 distributions (ii)	4,692,309
Declaration of a special distribution in 2023 distributions	1,331,631
	6,023,940

(ii) On 7 August 2024, the Directors of the Trustee declared a distribution for the 2023 financial year of K4,692,309.

Distributions paid

	2025
	K
2024 Distribution first batch	2,093,005
	2,093,005

	2024
	K
2023 Distribution first batch	1,949,589
2023 Distribution second and final batch	146,657
	2,096,246

31 Fair value reserve

Fair value reserve consists of subsequent changes in the fair value of investments that are not held for trading.

	2025	2024
	K	K
Shares in Australian subsidiary	117,933,287	41,127,476
Shares in South Sea Lines Limited	28,306,176	28,847,147
PNG listed shares	16,383,796	11,858,812
PNG unlisted shares	(7,062,080)	(7,062,080)
	155,561,179	**74,771,355**

32 Financial risk management

Overview

The LET has exposure to the following risks:

- credit risk;
- liquidity risk;
- market risk; and
- capital management.

This note presents information about the LET's exposure to each of the above risks, the LET's objectives, policies and processes for measuring and managing risk, and the LET's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors of the Trustee of the LET have overall responsibility for the establishment and oversight of the LET's risk management framework. The LET's risk management policies are established to identify and analyse the risks faced by the LET, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the LET's activities. The LET, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) Credit risk

Credit risk is the risk of financial loss to the LET if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the LET's loans and receivables.

The LET has established a policy under which each new investment is analysed for credit worthiness before the investment is made.

The maximum exposure to credit risk at reporting date is as follows:

	2025	2024
	K	K
Cash	4,104,384	5,239,586
Term deposits	2,401,082	2,367,882
Trade and other receivables	727,360	881,617
Accrued interest on GIS and deposits	1,074,339	1,121,203
PNG Government fixed income securities	72,310,435	72,990,971
PNG listed and unlisted shares	38,170,386	33,585,404
	118,787,986	**116,186,663**

(b) Liquidity risk

Liquidity risk is the risk that the LET will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The LET's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the LET's reputation.

The following are the contractual maturities of financial liabilities:

	Carrying amount	Less than 1 year	Greater than 1 year
Financial liabilities	K	K	K
31 December 2025			
Trade and other payables	3,205,704	3,205,704	-
Lease liabilities	2,382,085	571,578	2,174,415
	5,587,789	**3,777,282**	**2,174,415**
31 December 2024			
Trade and other payables	3,466,420	3,466,420	-
Lease liabilities	107,692	107,692	-
	3,574,112	**3,574,112**	**2,174,415**

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the LET's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Interest rate risk

The LET adopts a policy of ensuring that its exposure to changes in interest rates on investments is on a fixed-rate basis, taking into account assets with exposure to changes in interest rates.

At the end of the reporting period the interest rate profile of the LET's interest-bearing financial instruments was:

	2025	2024
	K	K
PNG Government fixed income securities	72,310,435	72,990,971
Loan to Lihir Development Finance Corporation	4,761,114	4,756,446
Net receivable from clan companies	7,511,253	7,511,253
	84,582,802	**85,258,670**

Fair value sensitivity for fixed rate instruments

The LET does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting period would not affect profit or loss.

(ii) Price risk

The LET is exposed to equity securities price risks. These arise from investments held by the LET and are classified on the statement of financial position as financial assets at fair value through other comprehensive income. To manage its price risk arising from FVOCI, the LET diversifies its portfolio. Diversification of portfolio is done in accordance with allocations set by the LET.

Financial assets classified as FVOCI include publicly traded PNG shares.

A 10 percent change in market prices of listed shares would increase / (decrease) equity and profit and loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2025		2024	
	Equity	Profit or loss	Equity	Profit or loss
	K	K	K	K
10% movement	3,151,038	3,151,038	2,698,540	2,698,540

(iii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The LET's exposure to foreign currency risk was as follows based on notional amounts:

	2025	2024
	AUD	AUD
Cash and term deposits	87,560	3,025
Net related party loans	2,863,454	3,749,895
Shares in subsidiary	131,578,306	119,629,442
	134,529,320	**123,382,362**

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2025	2024	2025	2024
AUD / PGK	0.3766	0.3898	0.3516	0.3980

A 10 percent strengthening of the PNG Kina against the Australian dollar would have increased or (decreased) equity and profit and loss by the amount shown below. This analysis assumes that all other variables remain constant.

	2025	2024
	Profit or loss	Profit or loss
	K	K
10% appreciation	(38,262,036)	(31,000,593)
10% depreciation	38,262,036	31,000,593

(d) Fair value versus carrying values

The LET's financial assets and liabilities are included in the statement of financial position at amounts that approximate their net fair value.

(e) Fair value hierarchy

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sales securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Trust is the current bid price. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period.

Level 3: Relates to inputs which are unobservable inputs for asset or liability.

The table below analyses financial instruments carried at fair value, by the level of valuation hierarchy.

The different levels have been defined as follows:

Level 1: Quoted prices in active markets for identical assets.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
2025	**K**	**K**	**K**	**K**
Cash	4,104,384	-	-	4,104,384
Term deposits	2,401,082	-	-	2,401,082
PNG listed and unlisted shares	31,510,384	-	6,660,002	38,170,386
Related party loans	-	-	24,982,868	24,982,868
Shares in Australian subsidiary	-	-	374,280,489	374,280,489
Shares in PNG subsidiary	-	-	34,484,465	34,484,465
Investment properties	-	-	14,276,744	14,276,744
	38,015,850	**-**	**454,684,568**	**492,700,418**

	Level 1	Level 2	Level 3	Total
2024	**K**	**K**	**K**	**K**
Cash	5,239,586	-	-	5,239,586
Term deposits	2,367,882	-	-	2,367,882
PNG listed and unlisted shares	26,985,400	-	6,599,794	33,585,194
Related party loans	-	-	27,266,147	27,266,147
Shares in Australian subsidiary	-	-	297,474,678	297,474,678
Shares in PNG subsidiary	-	-	35,025,436	35,025,436
Investment properties	-	-	14,215,073	14,215,073
	34,592,868	**-**	**380,581,128**	**415,173,996**

(f) Capital management

The Board of Trustee's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Trustee monitors the return on capital, which the LET defines as results from operating activities divided by total equity of the LET. The Board also seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The LET is not subject to any externally imposed capital requirements. The LET's policies with respect to capital management are reviewed regularly by the Trustee.

The LET's net debt to adjusted equity ratio at the reporting date was as follows:

	2025	2024
	K	**K**
Total liabilities	11,280,304	8,423,697
Cash	(4,104,384)	(5,239,586)
Net debt	**7,175,920**	**3,184,111**
Equity	577,206,885	499,695,879
Net debt to equity ratio	**0.0087**	**0.0054**

There has been no change in the LET's management of capital during the year.

33 Capital commitments and contingencies

At the reporting date the LET had nil capital commitments and contingencies (2024: Nil).

34 Matters or circumstances arising after the end of the year

On 12 December 2025, South Sea Lines Limited (a wholly owned subsidiary of the LET) entered into an agreement with Argo Lihir Limited (renamed to Argo South Sea Limited on 26 January 2026), a related party, for the sale of its operating business and associated assets, including vessels, plant and equipment, container fleet and office equipment, in exchange for the issue of 5,142 Class B redeemable convertible preference shares (BRCPS) and 100 Ordinary shares in Argo Lihir Limited. The BRCPS will be progressively redeemed over the next 3 years, subject to Argo Lihir Limited management achieving profitability targets as set out in the Shareholders Agreement.

Whilst certain transaction documents were executed on 12 December 2025, those documents expressly provided for a completion date of 31 March 2026. The transaction became effective on 1 March 2026, on which date the relevant share certificates were issued to South Sea Lines Limited. All conditions precedent to the transaction were fulfilled, and all related waiver documentation was executed, by 31 March 2026.

The Board of Directors are of the view that the transaction constitutes a non-adjusting event in accordance with IAS 10 Events after the Reporting Period, as the substantive conditions giving rise to the transaction, including the satisfaction of all conditions precedent, the execution of waiver documentation, and the issue of share certificates, arose after the reporting date. Accordingly, the financial statements for the year ended 31 December 2025 have not been adjusted to reflect the transaction.

The financial impact of the transaction is currently being assessed. The Directors are of the opinion that the transaction is material to the financial position of the Company and will be reflected in full in the financial statements for the period in which completion occurred.

Other than the matter disclosed above, no other matter or circumstance has arisen since the reporting date that has significantly affected, or may significantly affect, the operations of the LET, the results of those operations, or the state of affairs of the LET in future financial periods.

MRL CAPITAL LIMITED

2025



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