Al Masane Al Kobra Mining Company (AMAK)

Annual Report 2022

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REPORT ABBREVIATION ELEMENTS

Plants

Plants	Abbreviation
Gabal Guyan	Gu
Moyeath	ALMO-ex
Al Masane Mine	ALM

Elements

Element	Abbreviation
Copper	Cu
Zink	Zn
Gold	Au
Silver	Ag
Dry Metric Tonne	dmt
Tonne	Ton
Ounce	Oz

VIEW OF THE LEADERSHIP

Chairman's Message

On behalf of the Board of Directors, I am pleased to present Al Masane Al Kobra Mining Company's (AMAK) Annual Report on the company's performance for the financial year 2022. During financial year 2022, AMAK recorded a net profit of SR 126 million. With an eye to the future, AMAK spent the year consolidating its financial position, drastically reducing its total liabilities (which include items such as loans and borrowing) from SR 463 million to SR 327 million and at the same time improving its cash reserves from SR 74 million in 2021 to SR 381 million by the end of 2022.

I would like to express my appreciation to the Governor of Najran Region, His Highness Prince Jalawi Bin Musaed AlSaud for his support. We would also like to extend our gratitude to the government agencies that have continued to support us in our journey, including the Ministry of Commerce, the Ministry of Industry and Mineral Resources, and the Saudi Industrial Development Fund.

2022 was a significant year for AMAK, as we were proud to achieve an Initial Public Offering (IPO) and successfully listed the company's shares on the Tadawul on 29 March 2022. And as of December 2022, AMAK has been granted five new exploration licenses. We continue to be extremely grateful and honoured to have received such support from our shareholders.

The budget balance is positive, public debt shrank in 2022, and inflation is significantly lower than even advanced economies such as the US and UK. On this basis, the prospects for strong economic growth in 2023, supported by the government's pro-enterprise reforms as part of Vision 2030, are very encouraging. The mining sector has been a key part of The Kingdom's shift away from a reliance on oil, with The Kingdom expected to become a regional hub for all things mining in the coming years, and AMAK looks forward to playing its part in The Kingdom's success story.

Eng. Mohammed M. Aballala
Chairman, Al Masane Al kobra Mininig Co

CEO Review

AMAK is delighted to play its part in furthering the aspirations of The Kingdom, in line with Vision 2030, through its work in building a mining company that we aim to make the leader in the sector. One of our core values is a commitment to continuous improvement. This is why, three years ago, the company decided to expand its activity by developing the mineral deposit located in the ALM Expansion in order to increase the production capacity, which are present in three main areas - Sadaah, Houra and Moyeath, and encompass more than 40 square kilometres of underground mining areas.

The Plants Mine Expansion Project was inaugurated in July 2022, by His Royal Highness Prince Jalawi bin Abdulaziz bin Musaed, Governor of Najran Region, who laid the foundation stone. It is expected that the initial operation of the new processing plant (ALMO-ex) ALM expansion will begin in Q3 2023 and the plants mine will operate with an annual production capacity of 1.2 Million tons per year.

According to the project start-up schedule for the (ALMO-ex) treatment plant in 2023, AMAK's production will increase by 80% for zinc and 50% for copper. This will have a dramatic impact both on our output and profitability.

At the inauguration event, His Royal Highness also officially opened the Guyan Gold Mine, which contains a resource of 3.077 million tons ore. This is in addition to AMAK's other mining projects in the Thar province, ALM which contain a resource of more than 7.5 million tons of ore.

In 2022, AMAK produced 21,190 dmt of copper, 41,151 dmt of zinc, 87,097 Oz of silver, and 6,046 Oz of gold from ALM and 24,864 Oz from Guyan mine.

With large reserves, and continually expanding mining operations that have seen us become one of the largest producers of zinc, copper, gold and silver, AMAK is well-placed to take its place as the foremost listed mining company in The Kingdom in the coming years.

Eng. Yahiya M. Al Shangiti
Chief Executive Officer

Introduction to AMAK

Founded in 2008, AMAK is a listed mining company based in Saudi Arabia, with a clear vision to expand through the exploration, discovery, and development of mining projects across the country.

The Saudi government's Vision 2030 aims to create a thriving economy with a vibrant listed sector, providing diversified wealth creation and enterprise outside of The Kingdom's historic strength in hydrocarbons. Mining is a key part of this transformation and AMAK aims to be at the forefront of these reforms.

AMAK currently operates Al Masane VMS Mine and Guyan Gold Mine, both of which are located near the city of Najran, in Southwestern Saudi Arabia.

Our mines produce gold dore and export it via Jeddah International Airport to Switzerland, and the Zinc and Cooper concentrates by shipping via Jazan seaport where AMAK has 10,000 square meter storage at the port.

AMAK is one of the pioneers in the mining industry in the private sector in KSA. It is one of the largest producers of zinc, copper concentrates, gold and silver, which puts us at the forefront of the sector to create an added value chain with an effective economic impact.

Honorable mention by SME.net

PRODUCT PERFORMANCE HIGHLIGHTS FOR GOLD, SILVER, COPPER, AND ZINC

ALM

ALM	2022
Mining output	797,720 dmt
Copper	21,190 Ton
Zinc	41,151 Ton
Silver	87,097 Oz
Gold	6,046 Oz

Guyan

ALM	2022 G	2021 G
Tonnes Milled	471,898 dmt	350,338 dmt
Gold	24,864 Oz	17,706 Oz

KEY MILESTONES & ACHIEVEMENTS

2008
Incorporation of AMAK Co.

2010
Establishment of Al Masane Copper Zinc Underground Mine and Process Plant.

2012
The start of the commercial production of copper and zinc concentrates.

2016
Care and maintenance to set up owner mining teams.

2017
Restarting of the commercial production of gold and silver, doré, as a by-product of zinc and copper streams.

2019
Inauguration of a new underground portal to reach the third mining zone Moyeath.

2021
The start of the production of gold from Guyan Mine and increase of total gold production.

2022
Listing of the shares for trading on the stock exchange and the stock market (Tadawul).

2022
Inauguration of Al Masane Mine (Moyeath)

OUR GUIDING PRINCIPLES

Vision

AMAK's goal is to be the leading mining company in Saudi Arabia and the GCC region with sustainable value created for all stakeholders including shareholders, employees, the communities it operates in, contractors and suppliers.

Objectives

To contribute to empowering the national economy, utilizing the mineral assets in the kingdom of Saudi Arabia, and to dedicate our endeavors to make the mining industry one of the economic growth pillars in the Kingdom, in line with the Kingdom vision 2030, through expanding the company scope of operations across the region.

Mission

To contribute to empowering the national economy, utilizing the mineral assets in the kingdom of Saudi Arabia, and to dedicate our endeavors to make the mining industry one of the economic growth pillars in the Kingdom, in line with the Kingdom vision 2030, through expanding the company scope of operations across the region.

Values

Our values are a reflection of our objective and identifies the meaning of work in Al-Masane Al-kobra mining company.
Our values are the core of our culture and the model by which we always carry out our works.
Safety - Integrity - Leadership - Responsibility – Sustainability.

SAFETY

Safety is our priority; We provide a safe work environment and take care and implement appropriate procedures and plans for safety at work sites.

INTEGRITY

We uphold the highest standards of conduct and business ethics, at all levels of the company's business.

CONTINUOUS IMPROVEMENT

We are not satisfied only with what we have achieved, but we celebrate our success, strive for excellence and perfection, and lead change with all our might.

TEAMWORK

We work to achieve important achievements and carefully studied goals with a team spirit.

FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

(SAR 000)	2020G	2021G	2022G
Sales	375,151	586,653	582,768
Cost of sales	(249,892)	(318,956)	(374,408)
Gross profit	125,259	267,697	208,360
Selling and marketing expenses	(16,543)	(28,641)	(24,824)
General and administrative expenses	(19,980)	(22,441)	(39,588)
Operating income/(loss)	88,736	216,615	143,946
Finance cost	(6,752)	(13,547)	(12,042)
Other (expenses) / income, net	208	65	10,705
Profit / (loss) before zakat and income tax	82,192	203,133	142,609
Zakat expense	(2,308)	(8,845)	(11,381)
Income tax credit, net	8,919	2,977	4,896
Profit / (loss) for the year	88,803	197,265	126,331
Actuarial (loss) / gain on End of Service	(1,236)	(815)	1,295
Net profit / (loss) for the year	87,567	196,450	127,626

Statement of Financial Position Summary

(SAR 000)	2020G	2021G	2022G
Current Assets	202,906	368,224	773,252
Non-current Assets	744,011	744,037	774,619
Total Assets	**946,917**	**1,112,261**	**1,547,871**
Current Liabilities	149,340	198,538	179,141
Non-current Liabilities	345,591	265,287	148,533
Total Liabilities	**494,931**	**463,825**	**327,673**
Shareholder’s Equity			
Share Captial	820,000	563,289	660,000
Share Premium	-	-	508,590
Statutory reserve	4,427	19,726	32,360
Treasury shares	(131,809)	(19,726)	(16,021)
Retained earnings / (Loss)	(240,632)	84,862	35,269
Total Equity	**451,986**	**648,436**	**1,220,197**
Total Equity and Liabilities	**946,917**	**1,112,261**	**1,547,871**

Geographical analysis of the total revenues of the Company

Geographical Area	2022		2021	
	Revenue SAR (000)	Percentage	Revenue SAR (000)	Percentage
United Kingdom	362,547	62%	428,607	73%
Europe	220,222	38%	158,046	27%

Disclosure of Loans

Loans movement 2022	Saudi Industrial Development Fun	Banque Saudi Fransi	Total
	SAR (000)	SAR (000)	SAR (000)
Opening balance 01-Jan-22	295,798	33,333	329,131
Payment	(97,332)	(33,578)	(130,910)
Interest	9,154	244	9,399
Closing balance 31-Dec-22	**207,620**	**0**	**207,620**

Breakdown of Revenue

Product	2022		2021	
	Revenue SAR (000)	Percentage	Revenue SAR (000)	Percentage
Copper Concentrate	187,656	32%	230,799	39%
Zinc Concentrate	174,891	30%	197,808	34%
Precious Metals	220,222	38%	158,046	27%
Total	**582,769**	**100%**	**586,653**	**100%**

Statement of statutory payments due and payable on account of any zakat, taxes, fees

Details	2022		Details	Reasons
	Paid / Received (SAR)	Amount due till end of financial year but not paid/ receivable (SAR		
Zakat and Tax	14,762,819	14,227,606	The company is subject to the regulations of the General Authority for Zakat and Income	Due amount to be paid in Apr 2023
Severance fee	38,845,491	5,544,080	The company is subject to the regulations of the Ministry of Industry and Mineral Resources	Due amount to be paid in Apr 2023
GOSI	3,474,125	349,384	The company is subject to the social insurance system	Due amount to be paid in Apr 2023
VAT	(41,504,084)	(9,581,964)	The company is subject to the General Authority for Zakat and Income	Due amount to be Received after ZATCA audit 2022 for Nov and Dec 2022
Cost of Visa and Passpassport	1,219,516	-	The company renews residence permits for its workers, as well as exit and return visas	-

PRODUCTION

The following table shows the production of Ore, Mill throughput, production of Copper and Zinc concentrates and Gold and Silver dore for the last three years.

ALM Mine Production

Year	**Al Masane Mine**		
Production statistics	2020 G	2021 G	2022 G
Tonnes mined (underground) (metric tonnes)	823,537	813,940	797,720
Cu (%)	1.01	0.83	0.82
Zn (%)	4.42	3.64	3.45
Au (gpt)	1.02	0.90	0.86
Ag (gpt)	37.14	32.74	28.22
Tonnes milled (metric tonnes)	800,798	791,817	780,761
Cu (%)	1.00	0.82	0.82
Zn (%)	3.74	3.36	3.35
Au (gpt)	0.95	0.98	0.91
Ag (gpt)	33.13	32.73	28.78
Cu Recovery (%)	81.12	78.68	76.75
Zn Recovery (%)	80.53	79.89	78.04
Zn Concentrate (dmt)	45,825	42,398	41,151
Zn Concentrate (dmt)	24,592	21,971	21,190
Gold (oz)	8,172	7,197	6,046
Silver (oz)	63,572	105,624	87,097

Guyan Gold Mine production statistics

The following table shows the Mill throughput, production of Gold for the year 2022 and comparison with 2021.

Guyan Gold Mine	**2022**	**2021**
Tonnes milled (metric tonnes)	471,898	350,338
Gold (oz)	24,864	17,706

BUSINESS OVERVIEW

BUSINESS OVERVIEW

About Us

Al-Masane Al-Kobra Mining Co. (AMAK) is a mining company registered and licensed by the Ministry of Industry and Mineral Resources and is located in the Najran region in the Kingdom of Saudi Arabia.

Since inception in 2008, Al Masane Al Kobra Mining Company has adopted a long-term advanced business strategy, based on the research and sustainable growth of its technical and operational infrastructure to support all of its various activities. AMAK aims to achieve an array of major successes in order to be the leader in the mining sector in the Kingdom of Saudi Arabia.
The company applies all business requirements related to this field, including exploration, processing, smelting, and mining in line with the latest and advanced global best practices. The company began commercial production of copper and zinc concentrates in 2012, with the areas where it invests extending to include various and wide geological areas in the southern area of the Kingdom, such as Al Masane Underground Mine, which covers three areas: Saadah, Al-Houra and Moyeath. A new underground portal was inaugurated by the company in 2019 to reach the third mining zone in Moyeath.

AMAK has become one of the major mining companies in the Kingdom of Saudi Arabia. We produce copper, zinc, gold, and silver in distinct commercial quantities, adopting an advanced business model that is based on extending the life of the mines to increase mineral resources, identify and follow up the exploration of similar promising deposits in the Kingdom or abroad. We ensure a safe working environment wherein our human capital is absolutely the most important asset of the company.

As part of our advanced professional practices, which we apply in all our activities and events within our work channels, AMAK adopts the highest standards of governance over our strategic relationships with the community and the local environment during the development of our projects. The company strives to achieve real development of the community, while maintaining the integrity of the geographical and environmental ambiance, in accordance with the highest professional standards applied globally in this field.

ABOUT AMAK MINES

Al Masane Mine

Al Masane Mine is the main mining camp of AMAK, that has been discovered for the first time in 1967 and is in Najran southwest of the Kingdom, at an elevation of 1620 meters. It lays about 414 kms away from Jizan port on the red sea, which is used as a point of discharge of copper and zinc concentrates. It also lies around 640 kms away from Jeddah. The camp is connected with an asphalt road leading to Najran.

The camp was established in 2008 with construction works started in 2010. Production of copper and zinc concentrates started in 2012.

The mine has an annual mining and processing capacity of around 800 thousand tons and includes three geological zones: Saadah, Al Houra, and Moyeath. In 2019, a new underground portal was launched to reach the new mining zone; (Moyeath).

The ore extracted underground is directly transported to the process plant, which operates at a production capacity of 100 tons/hour to produce copper metal and zinc metal in the concentrates. The current production capacity is 21,190 dmt of copper and 41,190 dmt of zinc yearly. The production of gold and silver, doré, as a by-product of copper and zinc processing, also started commercially in 2018.

Guyan Gold Mine

In line with the sustainable business development strategy, AMAK has constructed and commissioned Guyan Gold Mine, which is designed and built to produce 40,000 oz per year at full capacity. The open mining started in late 2020 and the process plant was commissioned in early 2021. The first gold smelting from Guyan Gold Mine was done in January 2021.

Guyan is a high-grade open pit mining operation. The excavated ore from the open pit is crushed at the crusher near the pit before being trucked to the Process plant. The Guyan Process Plant is established in the main AMAK Camp, which is 15 kilometres from the open pit.

Guyan Process Plant has a throughput capacity of 400,000 tons per year. In the Process Plant, ore goes through grinding, gravity circuit, CIP, elution, smelting and filtering stages. At Guyan Gold plant AMAK produces gold bars (Doré) and ships to refineries. AMAK continues exploration works at concessions in the deeper and nearby levels of orebodies alike, relying on the data provided by satellites equipped with advanced technologies to carry on with the broadly promising pit development drilling opportunities at Al Masane, Guyan, Al Aqiq and other mineralization zones.

ALM Expansion -Moyeath Project

AMAK has initiated a new expansion project in 2019 to develop the Moyeath orebody. Moyeath is a high-grade massive sulphide mineralization with very high zinc and silver and gold grades, with a significant amount of copper and gold.
All the metallurgical testworks were completed in 2019 and 2020 and a new processing plant has been designed to process this special orebody. Consultants from South Africa and Australia are currently working to complete the detailed engineering of the proposed process plant, which will have a mill throughput capacity of 400,000 tons per year.
Together with Moyeath Plant, the AMAK's base metal processing capacity will increase by 50% reaching up to 1.2 million tons per year – extending the life of the mine for more than 10 years. With the scheduled commissioning of Moyeath Process Plant in 2023, AMAK's zinc output is designed to increase by more than 80% and copper output by 50% plus gold and silver.
Resource development drilling and underground infrastructure to support the production of high-quality ore are ongoing, aiming to prolong the life of the processing plant for more than 10 years.

ALM Mine

The following table shows the production of Ore, Mill throughput, production of Copper and Zinc concentrates and Gold and Silver dore for the last 3 years:

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	Tonnes mined (underground) (metric tonnes)	Tonnes (metric tonnes)	Zn Concentrate (dmt)	Cu Concentrate (dmt)	Gold (oz)	Silver (oz)
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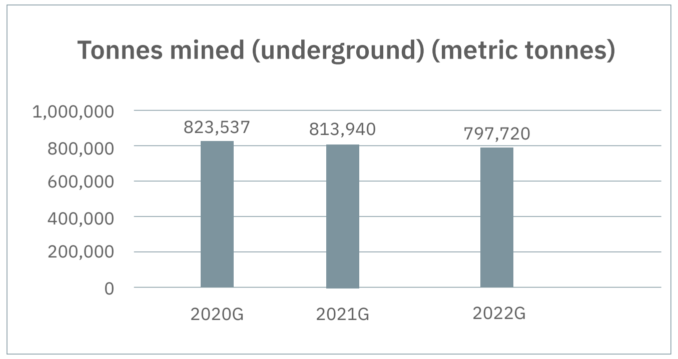
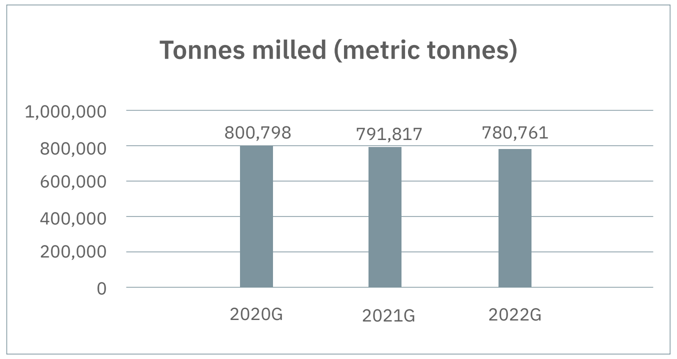
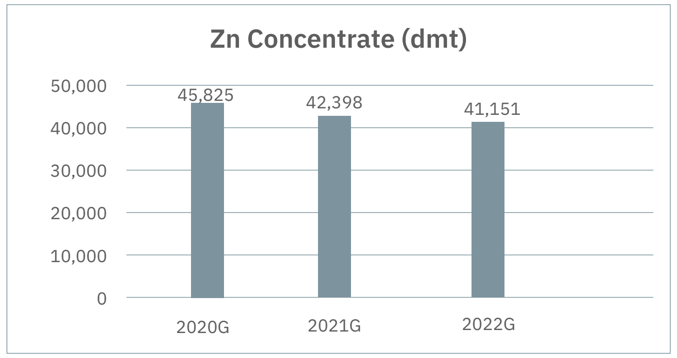
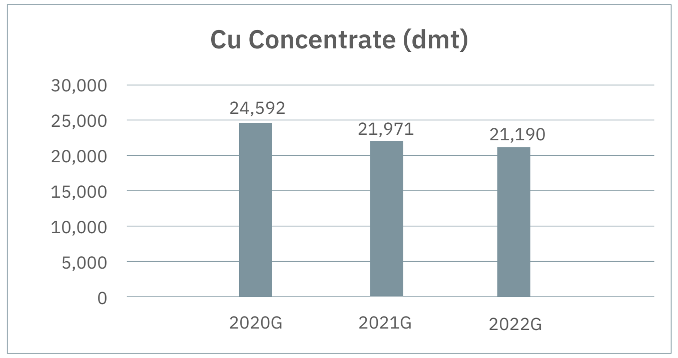
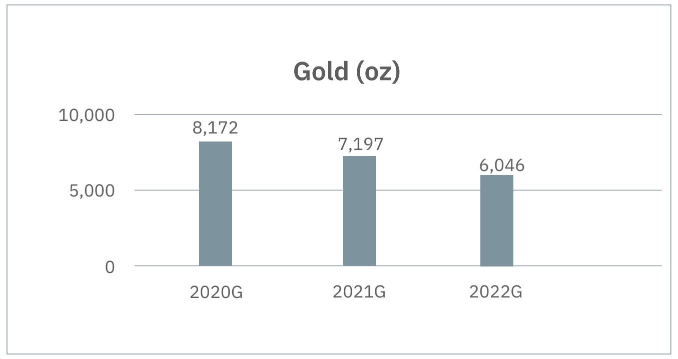
2021 G	813,940	791,817	42,398	21,971	7,197	105,624
2022 G	797,720	780,761	41,151	21,190	6,046	87,097

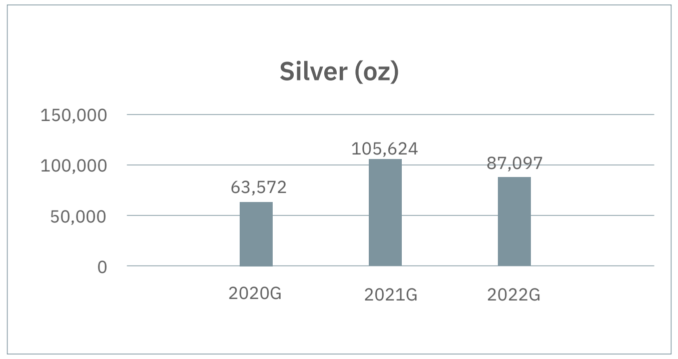












GUYAN GOLD MINE PRODUCTION STATISTICS

The following table shows the Mill throughput, production of Gold for the year 2022 and comparison with 2021

Guyan Gold Mine	2022	2021
Tonnes milled (metric tonnes)	471,898	350,338
Gold (oz)	24,864	17,706

RESOURCES AND RESERVES

The Company's primary operations are the operation of Al Masane Copper/Zinc Mine and Guyan Gold Mine. Al Masane Mine is located at the main Al Masane mining camp and produces copper and zinc concentrates and silver and gold Doré. The Guyan Mine is located approximately 12km from Al Masane Mine and produces gold and silver Doré.

AMAK Mineral Resource and Reserves Statements December 2022 in accordance with JORC 2012

a. Introduction

The Mineral Resource and Ore Reserves of a mining company are key assets of the business.
The Ore Reserve and Mineral Resource estimates in this report were prepared by Competent Persons in accordance with the requirements of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition (the JORC Code).
The JORC Code represents current global industry best practice for the reporting of Ore Reserves and Mineral Resources.
The reporting of Ore Reserve and Mineral Resource estimates by AMAK and SRK complies with the principles of transparency, materiality, and competence in the JORC Code for the estimation, classification, reporting, review, and presentation of this report.
The Mineral Resources and Ore Reserves terminology used in this report follows the definitions in the JORC Code. Additional terms are defined in the Glossary.

b. Qualifications / Competent Persons

The Mineral Resource and Mineral Reserve Report for the Al Masane Cu-Zn-Au-Ag Mine, Jabal Guyan Gold Mine, Al Aqiq Gold Project and Khutianah (previously "QV-08") Gold Project were prepared by SRK and AMAK. The report has been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code, 2012 Edition ("JORC Code").
The Mineral Resource estimates were prepared by AMAK Geologist who are Ismail Cakici (Senior Resource Geologist MAusIMM (3060478)) and Behzat Ersen Sahindur (Al Masane Geology Manager MAusIMM (328628)) and reviewed by SRK Competent Person who is Guy Dishaw (P.Geo (CP)), a Principal Mining Geologist at SRK, who has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person ("CP") as defined in the JORC Code for the Mineral Resource and. Guy was assisted in the Mineral Resource review by James Williams (FGS) and Laura Donegan (CGeol), a Resource Geologist.
Guy Dishaw has undertaken three site visits to Al Masane. The first was undertaken in April 2016 and consisted of underground mapping of all exposures at Saadah and Al Houra which informed both the 2016 Al Masane MRE and the MRE update for the Sadaah deposit in 2017. The second site visit was conducted in October 2016 at the beginning of the underground drill program. The third and fourth visits were conducted in March 2022 and October 2022 verified the data collection procedures, inspection of drill core, geological mapping, and underground and surface mine visits.
Al Masane Cu-Zn-Au-Ag mine ore reserve was prepared by Sinan Burak Avcı (Al Masane UG Mine Manager MAusIMM (326493)).
Jabal Guyan gold mine and Al Aqiq gold project ore reserves were prepared by Nihat Soyer (Guyan Mine Manager MAusIMM (3053695)).

AL MASANE CU-ZN-AU-AG MINE MINERAL RESOURCE STATEMENT

Mineral Resource Statement for Al Masane Cu-Zn-Au-Ag mine, Kingdom of Saudi Arabia, as of 1st September 2022;

Mineral Resource Category	**Deposit**	**Tonnes** (X 1,000,000)	**Cu** %	**Zn** %	**Au** g/t	**Ag** g/t	**CuEq** %
Measured	Saadah	1.07	1.20	4.49	0.94	31.65	3.14
	Al Houra	1.16	0.90	3.87	0.94	31.16	2.68
	Moyeath	0.36	0.83	9.47	1.34	72.77	4.57
Indicated	Saadah	1.17	1.44	3.82	0.83	23.16	3.08
	Al Houra	0.78	0.84	3.85	1.27	36.69	2.88
	Moyeath	2.21	0.64	6.32	1.21	49.28	3.34
Total Measured and Indicated		6.75	0.94	5.05	1.07	38.62	3.16
Inferred	Saadah	0.45	1.31	3.32	0.87	28.48	2.90
	Al Houra	0.01	0.80	4.00	0.76	27.67	2.47
	Moyeath	0.30	0.41	3.97	1.21	42.06	2.49
Total Inferred Resource		0.77	0.95	3.59	1.00	33.81	2.73
Total Mineral Resource		**7.51**	**0.94**	**4.90**	**1.06**	**38.13**	**3.12**

Mineral Resource Statement stated in table notes the following;

- Mineral Resources are not Ore Reserves and do not have demonstrated economic viability.
- Mineral Resources are reported Inclusive of Mineral Reserves.
- The long-term commodity price assumption is USD9,350/t for Cu, USD3,000/t for Zn, USD24/oz for Ag and USD1,800/oz for Au. The underground Mineral Resources are reported within broad regions identified by the MSO as satisfying RPEEE above a 1.0 %Cu equivalent value.
- The reported Mineral Resources have an effective date of 1 September 2022. The Competent Person for the declaration of Mineral Resources is Guy Dishaw, P.Geo., of SRK Consulting (UK) Ltd.
- The Mineral Resource estimate was prepared by AMAK personnel and has been reviewed by SRK. The Mineral Resource estimate considers drilling and sampling data up to early 14 September 2022 and has been depleted by survey volume representing mining to 1 September 2022.
- Mineral Resources are reported as undiluted. No mining recovery has been applied in the Statement.
- Areas identified as sill pillars (due to the mining design) have been excluded from the resource.
- Tonnages are reported in metric units, grades in grams per tonne (g/t) and in per cent (%). Tonnages and grade totals are rounded appropriately.
- Rounding, as required by reporting guidelines, may result in apparent summation.

JABAL GUYAN GOLD MINE MINERAL RESOURCE STATEMENT

Mineral Resource Statement for Jabal Guyan Gold Mine, Kingdom of Saudi Arabia, as of 31 October 2022;

Type	**Category**	**Tonnes** (X 1,000)	**Au** g/t	**Au Ounces** (X 1,000)
Open Pit	Measured	206	2.91	19.3
	Indicated	1,045	2.58	86.7
	Inferred	117	2.80	10.5
OP Measured, Indicated and Inferred Total		1,368	2.6	116.5
Underground	Measured	7	1.38	0.3
	Indicated	624	1.94	38.9
	Inferred	1,078	2.40	83.2
UG Measured, Indicated and Inferred Total		1,709	2.20	122.4
Total Mineral Resource		**3,077**	**2.41**	**238.9**

Mineral Resource Statement stated in table notes the following;

- Mineral Resources are not Ore Reserves and do not have demonstrated economic viability.
- Mineral Resources are reported inclusive of Mineral Reserves.
- The long-term commodity price assumption is USD1,800/oz for Au.
- The open pit Mineral Resource are reported within an optimised pit shell above a 0.64 g/t Au cut-off, and the underground Mineral Resources are reported outside the open pit shell within contiguous regions identified by the MSO as satisfying RPEEE above a 1.05 g/t Au cut-off grade.
- The reported Mineral Resources have an effective date of 1 October 2022. The Competent Person for the declaration of Mineral Resources is Guy Dishaw, P.Geo., of SRK Consulting (UK) Ltd.
- The Mineral Resource estimate was prepared by AMAK personnel and has been reviewed by SRK. The Mineral Resource estimate considers drilling and sampling data up to 27 September 2022 and has been depleted by survey volumes representing mining to 1 October 2022.
- Mineral Resources are reported as undiluted. No mining recovery has been applied in the Statement.
- Tonnages are reported in metric units, grades in grams per tonne (g/t) and in per cent (%). Tonnages and grade totals are rounded appropriately.
- Rounding, as required by reporting guidelines, may result in apparent summation.

c. Al Aqiq Gold Project Mineral Resource Statement

Mineral Resource Statement for Al Aqiq Gold Project, Kingdom of Saudi Arabia, as of 26 October 2022;

Type	**Category**	**Tonnes** (X 1,000)	**Au** g/t	**Au Ounces** (X 1,000)
Open Pit	Indicated	121	1.4	5.4
	Inferred	106	1	3.5
OP Indicated and Inferred Total		227	1.2	8.9
Underground	Indicated	134	2.43	10.5
	Inferred	123	1.8	7.1
UG Indicated and Inferred Total		257	2.1	17.6
Total Mineral Resource		**484**	**1.71**	**26.5**

Mineral Resource Statement stated in table notes the following;

- Mineral Resources are not Ore Reserves and do not have demonstrated economic viability.
- Mineral Resources are reported inclusive of Mineral Reserves.
- The long-term commodity price assumption is USD1,800/oz for Au.
- The open pit Mineral Resource are reported within an optimised pit shell above a 0.51 g/t Au cut-off, and the underground Mineral Resources are reported outside the open pit shell within contiguous regions identified by the MSO as satisfying RPEEE above a 1.05 g/t Au cut-off grade.
- The reported Mineral Resources have an effective date of 26 October 2022. The Competent Person for the declaration of Mineral Resources is Guy Dishaw, P.Geo., of SRK Consulting (UK) Ltd.
- The Mineral Resource estimate was prepared by AMAK personnel and has been reviewed by SRK. The Mineral Resource estimate considers drilling and sampling data up to September 2022, no mining has occurred at the Project to date.
- Mineral Resources are reported as undiluted. No mining recovery has been applied in the Statement.
- Tonnages are reported in metric units, grades in grams per tonne (g/t) and in per cent (%). Tonnages and grade totals are rounded appropriately.
- Rounding, as required by reporting guidelines, may result in apparent summation.

KHUTIANAH GOLD PROJECT MINERAL RESOURCE STATEMENT

Mineral Resource Statement for Khutianah Gold Project, Kingdom of Saudi Arabia, as of 31 December 2022;

Type	**Category**	**Tonnes** (X 1,000)	**Au** g/t	**Au Ounces** (X 1,000)
Open Pit	Indicated	38	2.0	2.5
	Inferred	101	2.0	6.5
OP Indicated and Inferred Total		139	2.0	9.0
Underground	Indicated	70	2.0	4.6
	Inferred	484	1.8	27.5
UG Indicated and Inferred Total		554	1.8	32.9
Total Mineral Resource		**693**	**1.8**	**41.0**

Mineral Resource Statement stated in table notes the following;

- Mineral Resources are not Ore Reserves and do not have demonstrated economic viability.
- The long-term commodity price assumption is USD1,800/oz for Au.
- The open pit Mineral Resource are reported within an optimised pit shell above a 0.70 g/t Au cut-off, and the underground Mineral Resources are reported outside the open pit shell within contiguous regions identified by the MSO as satisfying RPEEE above a 1.05 g/t Au cut-off grade.
- The reported Mineral Resources have an effective date of 31 December 2022. The Competent Person for the declaration of Mineral Resources is Guy Dishaw, P.Geo., of SRK Consulting (UK) Ltd.
- The Mineral Resource estimate was prepared by AMAK personnel and has been reviewed by SRK. The Mineral Resource estimate considers drilling and sampling data up to December 2022, no mining has occurred at the project to date.
- Mineral Resources are reported as undiluted. No mining recovery has been applied in the Statement.
- Tonnages are reported in metric units, grades in grams per tonne (g/t) and in per cent (%). Tonnages and grade totals are rounded appropriately.
- Rounding, as required by reporting guidelines, may result in apparent summation.

AL MASANE CU-ZN-AU-AG MINE ORE RESERVE

Ore Reserve Statement for Al Masane Cu-Zn-Au-Ag Mine, Kingdom of Saudi Arabia,
as of December 2022;

Reserve Category	**Tonnes** (X 1,000,000)	**Cu** %	**Zn** %	**Au** g/t	**Ag** g/t	**CuEq** %
Proven	2.98	0.62	3.41	0.68	25.31	2.08
Probable	4.06	0.67	4.28	0.90	32.97	2.55
Total Ore Reserve	**7.04**	**0.65**	**3.91**	**0.81**	**29.73**	**2.35**

Mineral Resource Statement stated in table notes the following;

- Ore Reserves have demonstrated economic viability.
- The reporting standard adopted for the reporting of the ORE uses the terminology, definitions and guidelines given in the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012).
- The Competent Person for reporting of Ore Reserves is Sinan Burak Avcı MAusIMM (326493), an AMAK employee who is Al Masane UG Mine Manager.
- Ore Reserves are reported above a break-even copper equivalent cut-off grade of 1.00% or for a small number of stopes a marginal copper equivalent cut-off grade of 0.66%. The copper equivalent grade is derived from the NSR model and calculated based on equivalent factors for the Ore Reserves of (Cu % * 1.00) + (Zn % *0.198) + (Au g/t * 0.615) + (Ag g/t * 0.009). The NSR calculation is based on metal prices of USD9,350/t Cu, USD3,000/t Zn, USD1,800/oz Au and USD24.00/oz Ag.
- Modifying factors for unplanned dilution of 0.60 m dilution skin for both HW and FW additional 10% and mining recovery of 98%.
- All figures are rounded to reflect the relative accuracy of the estimate.

JABAL GUYAN GOLD MINE ORE RESERVE

Ore Reserve Statement for Jabal Guyan Gold Mine, Kingdom of Saudi Arabia,
as of December 2022;

Type	**Reserve Category**	**Tonnes** (X 1,000)	**Au** g/t	**Au Ounces** (X 1,000)
Open Pit	Proven	159	2.70	13.8
	Probable	842	2.17	58.7
OP Proven and Probable Total		1,001	2.25	72.5
Underground	Proven	43	1.02	1.4
	Probable	2,529	1.63	132.7
UG Proven and Probable Total		2,572	1.62	134.1
Total Ore Reserve		**3,573**	**1.80**	**206.6**

Mineral Resource Statement stated in table notes the following;

- Ore Reserves have demonstrated economic viability.
- The reporting standard adopted for the reporting of the ORE uses the terminology, definitions and guidelines given in the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012).
- The Competent Person for reporting of Ore Reserves is Nihat Soyer MAusIMM (3053695), an AMAK employee who is Guyan Mine Manager.
- Reported at open pit cut-off grade of 0.5 g/t Au and underground cut-off grade of 0.95 g/t Au.
- The Ore Reserve incorporates additional mining dilution of 34.4% and recovery of 89.2% to that included in the regularised mining model.
- Modifying factors for UG unplanned dilution of 0.30 m dilution skin for both HW and FW.
- All figures are rounded to reflect the relative accuracy of the estimate.

AL AQIQ GOLD PROJECT ORE RESERVE

Ore Reserve Statement for Al Aqiq Gold Project, Kingdom of Saudi Arabia,
as of December 2022;

Type	**Reserve Category**	**Tonnes** (X 1,000)	**Au** g/t	**Au Ounces** (X 1,000)
Open Pit	Proven	-	-	-
	Probable	105	1.41	4.8
OP Proven and Probable Total		105	1.41	4.8
Underground	Proven	-	-	-
	Probable	188	1.80	10.9
UG Proven and Probable Total		188	1.80	10.9
Total Ore Reserve		**293**	**1.66**	**15.7**

Mineral Resource Statement stated in table notes the following;

- Ore Reserves have demonstrated economic viability.
- The reporting standard adopted for the reporting of the ORE uses the terminology, definitions and guidelines given in the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012).
- The Competent Person for reporting of Ore Reserves is Nihat Soyer MAusIMM (3053695), an AMAK employee who is Guyan Mine Manager.
- Reported at open pit cut-off grade of 0.5 g/t Au and underground cut-off grade of 0.95 g/t Au.
- The Ore Reserve incorporates additional mining dilution of 6.1% and recovery of 69 % to that included in the regularized mining model.
- Modifying factors for UG unplanned dilution of 0.30 m dilution skin for both HW and FW.
- All figures are rounded to reflect the relative accuracy of the estimate.

MARKET OVERVIEW

The Kingdom's geology gives it an abundance of natural resources and raw materials. In recent years, Saudi Arabia has witnessed remarkable growth in the production of primary, midstream, and downstream mineral and metals products catering to both local and export markets.
Currently, Saudi Arabia strives to increase the mining sector's contribution to the Saudi economy, as part of the Kingdom's 2030 vision, to become the third pillar of KSA Industry alongside oil & gas and petrochemicals.

Accordingly, the Saudi Industrial Clusters Program, along with its strategic partners, is working to expand primary materials industries (midstream), and to develop sustainable and globally competitive value-added semi-finished and finished metal industries (downstream) that support the Kingdom's goals of diversification and development of advanced industries such as automotive, aerospace, shipbuilding, machinery & equipment, and others.

The Minerals and Metals Cluster is currently directing its efforts towards expanding the aluminum, steel, and copper/zinc industrial base, in addition to, titanium and specialty metals, tantalum, niobium, rare earth elements, and quartz/silica industries.

On the other hand, the large existing demand for copper products (i.e., cables and rods) provides an opportunity for expanding copper mining, developing a copper smelter, and expanding the existing downstream industries into new products such as tubes, bars, plates, and others.
The mining industry is the key pillar of economic diversification. The minerals will be used for the creation of heavy industries in all fields: automobile, fertilizer, and battery.

Currently, investments in Saudi Arabia's mining sector are valued between SR170 and SR180 billion (US$45.3 to $47.96 billion). Khaled Al-Mudaifer, the vice minister for Mining Affairs at Saudi Arabia's Ministry of Industry and Mineral Resources, expects this figure to grow an additional 150 percent within a decade.

To boost its mineral production and move towards the 2030 vision of economic diversification, Saudi Arabia is investing heavily in its mining sector. While the official Saudi Press Agency reports that more than 1,290 plants are currently producing mineral products in Saudi industrial cities, the kingdom auctioned off new mining licenses in 2022 and aims to create more than 200,000 direct and indirect jobs in the sector by 2030.

The kingdom's other major project is to open the mining market up to foreign investors by privatising the country's mining companies.

EXTERNAL ENVIRONMENT

Saudi Arabia's economy is in a very good position going into 2023, despite the twin economic shocks of recovering from the Covid-19-induced recession and the conflict in Ukraine. It is estimated that The Kingdom's economy grew by 8.8% in the third quarter of 2022 compared to the same period a year earlier.

The Economist Intelligence Unit's assessment of The Kingdom estimated that in 2022 Saudi Arabia recorded the fastest rate of growth among all the world's major economies, with full-year GDP growth at 9.1% This would be the highest since 2011 and outperforming not only the major developed economies of the G7 but also other emerging market economies such as China, India and Indonesia. The International Monetary Fund also expects Saudi Arabia to be the fastest-growing economy in the G20 for 2022.

Non-oil activities are projected to have grown by 5.2% by the end of 2022 and these are expected to grow by a further 4.3% in 2023.

Oil production, a central pillar of the Saudi economy, saw strong gains in 2022 with an average output of 10.6 million barrels per day and this is expected to increase in 2023.
The government's finances are in good order, with fiscal revenues strong throughout 2022, allowing it to post a surplus of 2.3% of GDP. This is projected to continue into 2023, with a potential surplus of 1.9% of GDP. These will ensure the government has ample funding available for Vision 2030 diversification projects.

Inflation saw an uptick in 2022, reaching as high as 3.1% in September. It has since fallen to 2.9% and is expected to fall further to 2.6% by the end of the year. However, this is far below the inflation rates seen in several advanced economies around the world, where inflation has exceeded double digits. This rate is expected to fall to 2.2% in 2023.

STRATEGIES AND OUTLOOK

Our Approach

AMAK has a long history and track record of achievements and success, by which it has become the real leader of the mining sector in the Kingdom of Saudi Arabia, and has demonstrated the following competitive advantages in the sector:

- A robust operational and technical infrastructure, managed by competent, experienced, and talented people.
- An advanced business strategy, which provides for the resiliency and efficiency required to overcome challenges and convert them into real success opportunities.
- Adoption of distinct professional practices, through which the company extends the life of its mines, through the increase of mineral resources available within them.
- High proficiency in identifying and exploring deposits, and finding nearby, high quality and similar metal deposits.
- Constantly working on discovering similar regional mineralization projects.

We are the pioneers of the mining sector in The Kingdom and set new standards in the mining business. AMAK has obtained approvals from all relevant governmental authorities and has started the exploration process to identify the locations of mineral deposits such as copper, zinc, lead, gold, silver, nickel, etc. Drilling works are then carried out to obtain samples of minerals
to analyse its quality. Diamond drilling works are also implemented to identify the quantity of orebodies. Initial data is then collected to calculate project estimates in line with international reporting standards such as NI 43101 (Canada) and JORC CODE (Australia).

Strategy for the Future

- To contribute to achieving the goals of the Kingdom of Saudi Arabia's vision 2030, the mostimportant of which is to increase the private sector's contribution to GDP from 40% to 65% and raise the share of non-oil exports in non-oil GDP from 16% to 50%.

- Continue the Company's growth through the expansion of operations into existing and new regions of the Kingdom of Saudi Arabia.

- Extend the life of our mines to more than 20 years with resource development at deeper levels, nearby exploration, local area exploration, greenfield reconnaissance, and exploration in new concessions acquired from the Ministry of Industry and Mineral Resources (MIM).

- Expand the Company's exploration license areas. To this end the Company has recently more than tripled the exploration license area near the existing Al Masane Mining License and intends to conduct further exploration in this area. This area includes four known mineralization prospects identified in the Competent Person's Reports (CPR). The Company believes that the most promising prospects are in the Wadi Shann and the Company intends to commence diamond drilling at these prospects in 2023 for Wadi Shan. In Al Masane Mining License, there are several other mineral occurrences identified which need further geological works and studies.

- Maintain position in the 25th percentile of low-cost producers of copper, zinc, and gold to mitigate against the impact of the metal price cycles. The Company is a low-cost Copper and Zinc producer due to the gold and silver which can be found in our Copper concentrate, as well as our cost-effective mass production methods used underground.

- Sustain high quality and lowest impurity Copper and Zinc concentrates and continue to be a producer of choice for Copper and Zinc smelters in Southeast Asia. Zinc concentrate produced at the Company is tradeable to Chinese smelters due to very low impurities and high Zinc metal content in the concentrate. Also, our Copper concentrate has a considerable amount of gold (+5 gpt) and silver (+300 gpt) which makes this product more attractive for certain smelters. Moyeath Copper Concentrate will have 24.7% copper, 18.7gpt Gold, and 596gpt Silver (average across the life of the mine).

- Train local human resources to decrease the dependency on expatriates in our workforce. The Company will especially focus on the training and education of local engineers and technicians, who will be developing and managing mining operations in the country and region.

- Invest in digital transformation of our mining operations to minimize human exposure.

a. Capital Projects

The Company plans to expand its current activity by further developing the Moyeath orebody development project for the purpose of increasing the productive capacity of Al Masane underground mine. In addition, the Company plans to expand its exploration activities by conducting further drilling programs to identify further Mineral Resources and the existing copper, gold, zinc, nickel prospects which are under the Exploration Licenses of Al Masane, Guyan and Qatan.

b. Saudization Program

The company is a firm believer in the value of a diverse workforce and an inclusive workplace in order to create the future of AMAK. As part of its Saudization efforts, the company is always seeking to attract and develop the local workforce. Notwithstanding the exceptional difficulties of the remote work location of the minesite, the company remained committed to putting the Saudization strategy into practice to be able to increase the percentage of Saudization.

To enhance the local talent pool, the company, in partnership with Saudi Mining Polytechnic (SMP), has enrolled 30 Saudis to be trained for different aspects of mining and processing operations. This is in addition to the on-going annual training programs for Saudis who are currently working with the company to address training gaps for their individual development.

The plan for Saudi employees to handle larger roles in the coming years is within reach as we have increased the number of Saudi engineers and other professionals who are now undergoing an in-house 1-year Saudi training program. This is hands-on training under the direct supervision of our technical experts as their advisor.

A career development policy and succession plans have already been put in place to ensure that the trained Saudis will be able to handle Supervisory and Managerial roles to further support the initiatives.
Saudi Women in Mining will also be part of the company’s long-term development program. Due to remote work locations however, safety is the paramount consideration, thus a separate accommodation and safe working areas are well thought-out.

EXPLORATIONS PROJECTS AND NEW EXPLORATION LICENCES

AMAK in Exploration Growth Mode

As of 31 December 2022, AMAK had expanded and progressed with dedicated team the exploration for both Brownfield exploration licenses and Greenfield exploration licenses on top of the Project Generation of the 12 Reconnaissance licenses and the Ministry Bidding opportunities.

Key Pipeline Movement at the End of the Year 2022 compared to Dec 2021

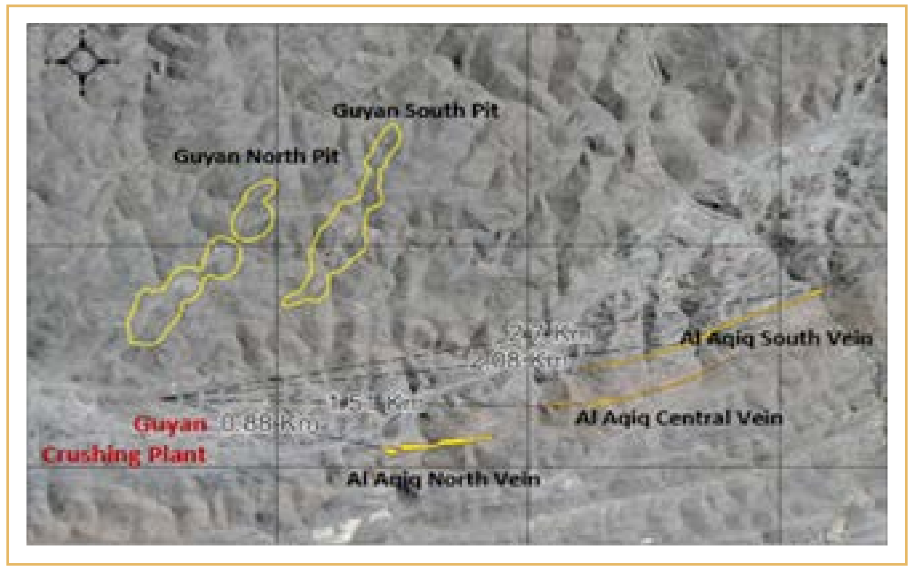
- 2 exploration (Guyan and Qatan) + 5 new Exploration licenses 2022 -Antaq 1, Antaq 2, Antaq 3, Antaq 4, Radeniah East.
- 2 Kutam and Mazjuah is granted + 2 exploration is granted to be issued during 2023
- Drilled early and brough to technical decision point Al Aqiq and Khutianah gold deposits, Khutianah jumped three stages and Al Aqiq one stage on the exploration pipeline and will be mineable as satellite pit in 2023.
- Ranked targets under rationalization to advance in a balanced Exploration pipeline, 123 identified targets across 9 exploration licenses and 2 mining license.

AMAK currently operates Al Masane Mine and Guyan Gold mine, which can be found 650km southeast of Jeddah. The mines are accessible via Abha and Najran Airport, with good tarred roads and Jizan Sea port located 450km southwest for the export of Cu, Zn, Au, Ag concentrate. However, AMAK is a listed pioneer company in the mining sector, and we have a clear vision of expansion via exploration, discovery, and development of mining projects in line with Vision 2030.

AMAK has a total of seven exploration licences. These include Guyan and Qatan exploration licences, together with five exploration licences granted in 2022 – Antaq 1, 2, 3, and 4, plus Radeniah East. We have made applications for four more exploration licences within Najran, Asir and Riyadh regions, including at Kutam and Mazjuah. All these applications have been granted and we anticipate that they will be issued soon.

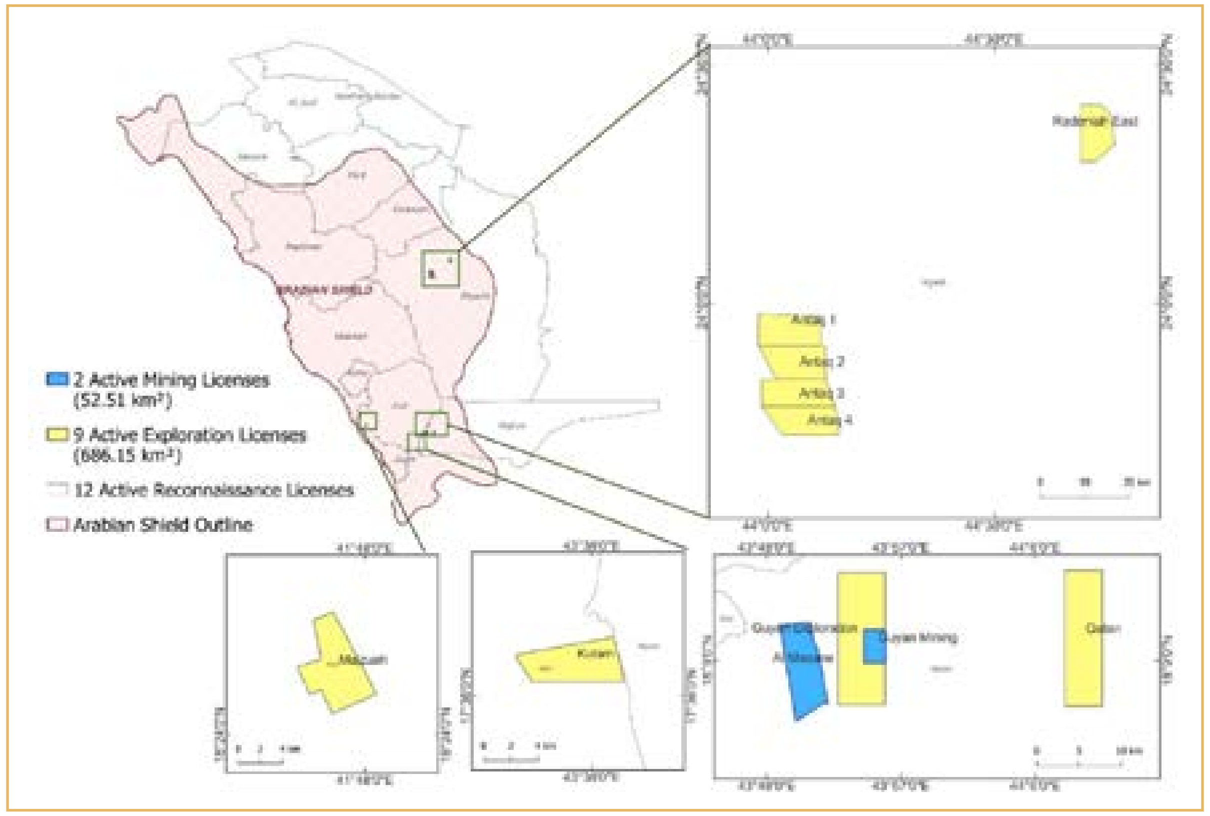
A team has been deployed to accelerate Exploration and Reconnaissance Licence evaluations in the prospective areas of the Arabian Shield and this work is ongoing. The Arabian Shield forms one-half of the Arabian-Nubian Shield, an exposure of Precambrian crystalline rocks on the flanks of the Red Sea. This area has been the site of precious and industrial metal mining in Saudi Arabia for over 5,000 years due to the rich deposits there.

AMAK has a proven ability to develop successful and rapid exploration projects. The Guyan Gold Mine for instance took five years from the first conducted geophysics surveys in December 2015 to the first gold pour in January 2021. As you can see from the timeline of key milestones below for the Guyan Gold mine, AMAK proceeded quickly in developing the mine:



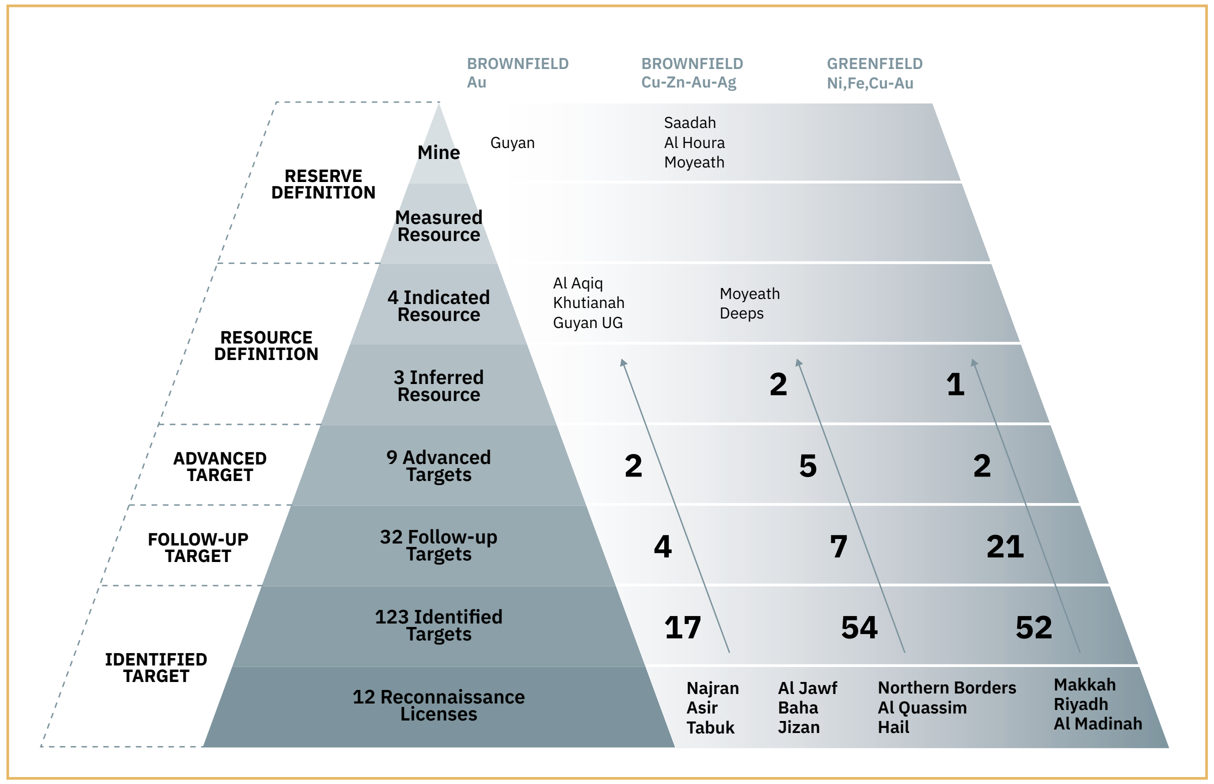
We expect exploration licences to be issued soon for new sites at Kutam and Mazjuah. At our Al Aqiq and Khutianah gold deposits, AMAK has been able to drill early and bring them to a technical decision point. Khutianah jumped three stages and Al Aqiq one stage on the exploration pipeline – the latter will be mineable as a satellite pit in 2023.

AMAK has also compiled a list of targets ranked targets to advance in a balanced exploration pipeline, with 123 identified targets across nine exploration licences and two mining licences. As well as exploring new sites through Greenfield exploration, AMAK continues to look at Brownfield Exploration within our current mining licences at Al Masane and Guyan Mines, as well as adjacent to our Guyan and Qatan Exploration Licences.



Expanding in New Frontier within Prospective areas of the Arabian Shield.

The greenfield exploration highlights the first mover strategic requirements for AMAK as a pioneer listed mining company in Saudi Arabia to go for top quality opportunities at a regional scale. During 2022, the exploration team maintained a high level of exploration activities with boots on ground exploration using proven geological methods and drilling early-bring to decision as quick as possible.



PEOPLE OF AMAK

Putting our people at the heart of our business

At AMAK, we aim to become a model of responsible mining and sustainable development.
Our resilient and driven people are the most important assets for our company. They have brought us our success so far and are actively working to help us achieve a leading position in the mining industry.

A collaborative, multiracial team utilizing best-in-class practices to discover, develop, and process minerals profitably is the main pillar of our sustainable business operations. We prioritize our people's safety and environment, and the development of their skills, alongside a focus on product grades and recovery, and plant availability and utilization.

Our corporate culture is one where employees are encouraged to explore the full potential of their skill sets, where we aim to make the company inspiring, and our employees feel motivated to work hard.

To date, AMAK has a total of 694 employees, with 124 joining in 2022. We are planning to hire an additional 93 employees in 2023 to support the manpower requirements for the scheduled commissioning of the new Moyeath Processing Plant by the third quarter of 2023. Our Saudization rate as of November 2022 is 32.14%.

Continuous Training and Development

AMAK provides all employees opportunities to acquire knowledge and develop skills through manpower training and to achieve advantages by improvement of their performance. We help to prepare them for positions of increasing responsibility, provide health, safety and environmental management awareness, and encourage them to achieve the lasting personal satisfaction that comes through using their abilities in the best possible way. All of this helps AMAK to thrive and prosper, with enhanced organizational efficiency through greater productivity.
New employees joining AMAK undergo an Employee On-Boarding Program (EOP). The EOP is a comprehensive orientation and induction program for new employees. Topics include Health, Safety and Environment policies, Standards of Performance and Behavior at Work, Lifestyle and well-being, and Valuing Diversity and Dignity at Work.
Moreover, to sustain AMAK's learning and development program for its employees, an annual Training Needs Analysis is conducted to identify training gaps which will form part of the internal and external training programs provided to employees based on the Annual Training and Development Master Plans.

SUSTAINABILITY AND INCLUSION

SUSTAINABILITY AND INCLUSION

Environmental, Social, and Governance

Environmental, Social, and Governance (ESG) issues have become increasingly important to organisations and companies across the world. A global effort towards greater sustainability in business practice has led to an enhanced focus on assessing and managing environmental, social and governance risks. Stock exchanges, regulatory bodies, and government agencies have mandated ESG-related reporting to help stakeholders understand how a company is dealing with these risks and opportunities.

AMAK's Commitment to ESG

AMAK believes strongly that each company in The Kingdom must play its part in enhancing our oversight and action on all aspects of ESG. Our business has grown and developed, with our position in the mining sector increasing each year, and this has been accompanied by a growing sense of responsibility to examine all areas of our business and to see what more we can do to ensure that everything we do benefits The Kingdom and its people in a sustainable way.

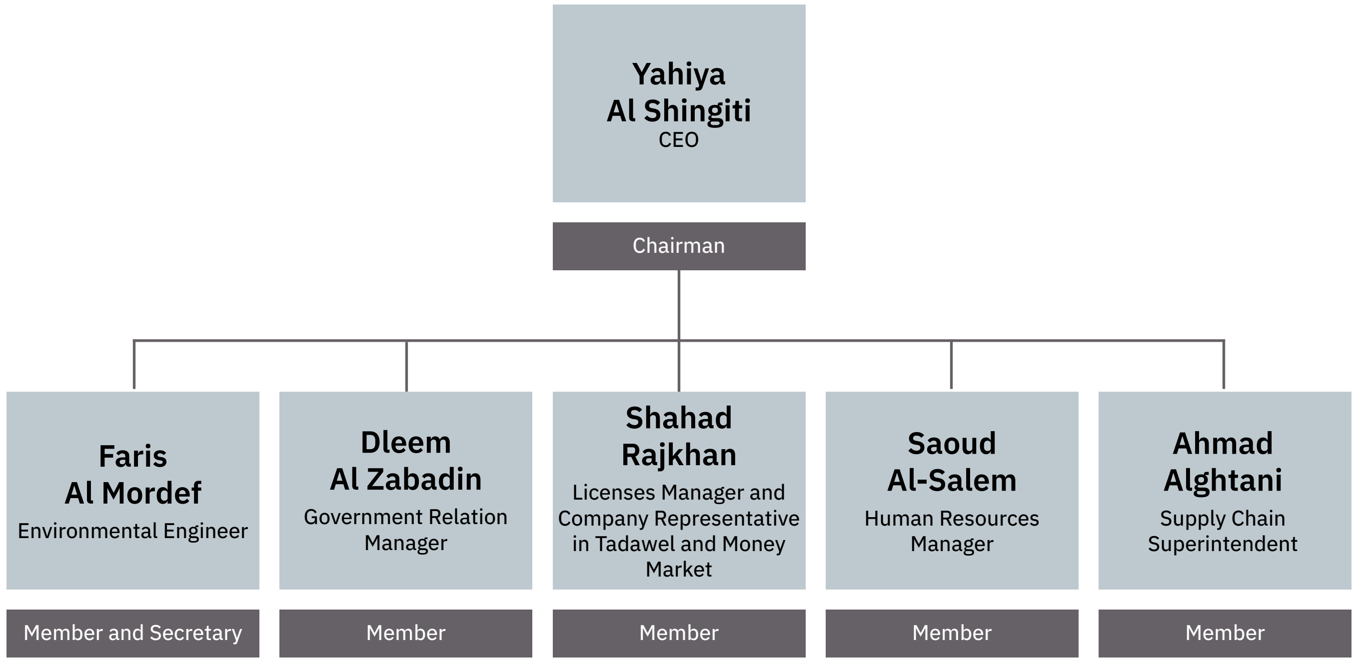
Sustainability is also a fundamental component of Saudi Arabia's Vision 2030 initiative and AMAK has begun the process of increasing its focus on ESG in a systematic manner, with a view to looking at how we can strengthen our work on this comprehensively. As we develop our processes to oversee data collection and manage changes where needed, we hope to provide more detailed reporting on this in the future.

ESG Oversight

We have created an ESG Committee to support AMAK's Board in providing oversight of all ESG matters. This includes, but is not limited to, environmental, health and safety, corporate social responsibility, sustainability, philanthropy, corporate governance, reputation, diversity, equity and inclusion, community issues, and other public policy matters relevant to the company.

Chaired by our CEO, Eng. Yahiya Al Shangiti, the committee comprises and members drawn from key areas across AMAK. These include our Environmental Engineer, Government Relations Manager, Mining Rights Manager and Company Representative on the Tadawul (Saudi stock exchange), Human Resources Manager, and our Superintendent of Contracts and Procurement.

ESG Committee Structure



Our ESG Roadmap

Talk is cheap when it comes to ESG and AMAK aims to take decisive action to demonstrate our determination to create change in this area. To turn our commitment to ESG from an intention into concrete reform, AMAK has developed a detailed ESG Roadmap which will guide our work in this area over the coming months and years. This plan encompasses every facet of our business, and all strands of ESG oversight, and will potentially form the basis of our approach for the next decade.
Several of these projects are already underway and we are determined to commit to ESG principles and share more about our implementation of it in our future reports.

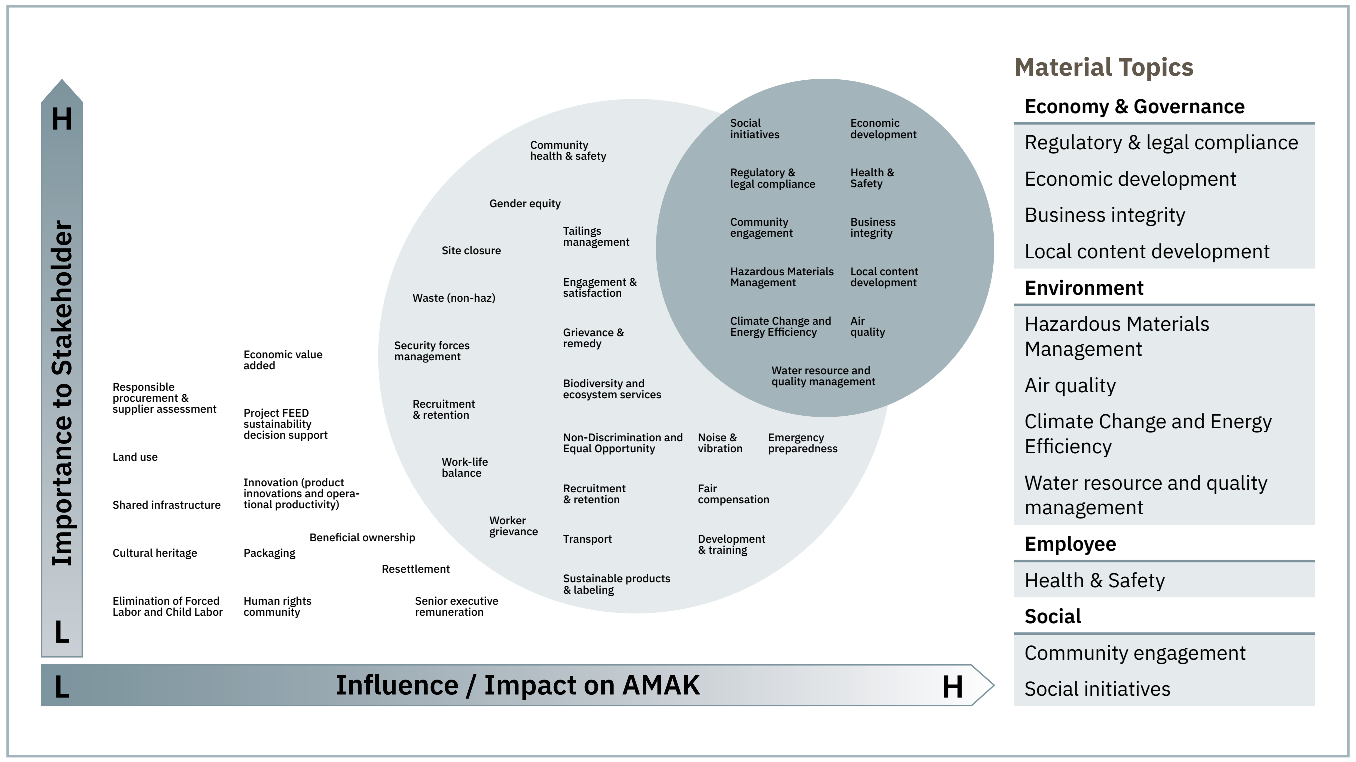
Our plan includes:

- The creation of a new Sustainability Policy for the company
- Establishing AMAK's environmental footprint– our baseline and targets for the future such as on our greenhouse gas emissions, energy use and water consumption
- A comprehensive review of AMAK's social engagement, local hiring, local buying, our complaint mechanisms, and our local contribution.
- Conducting a Materiality Matrix for the company, which assesses the company's total ESG footprint, provides a baseline to assess our performance, and which will be used to inform our ESG strategies in the future.
- The use of advanced tracking software to keep an eye on the various ESG metrics so we can monitor our progress.
- Consulting with experts on sustainability to create a Sustainability Report that can be included in our Annual Reports.

OUR ESG MATERIALITY MATRIX

Issues that matter on the long term

To get a clear understanding of the sustainability issues that concern our stakeholders, we conducted a materiality assessment in 2022. The outcome has shaped our ESG framework and sustainability reporting. These issues which are our focus areas, inform our sustainability index that lays down our targets for each year on these material issues.



Stewarding our Environment

AMAK is committed to following environmental regulations and conducting all our activities in an environmentally friendly way. We are monitoring environmental parameters to ensure that our activities are not affecting the environment in a negative way.
Here are just some of the ways in which we are trying to promote and protect the environment where we operate:

- Air Monitoring - Quarterly air monitoring is carried out by a third party to ensure that emissions are within the necessary limits.

- National Centre for Environmental Compliance (NCEC) - We have NCEC environmental licenses for Al Masane Process Plant, Guyan Process Plant, Guyan Mine and Jizan Warehouse.

- Dust filters - Dust filters have been installed at Al Masane and Guyan site, and regular inspection and maintenance of the filters are carried out by NCEC approved parties to avoid air pollution.

- Water Quality Monitoring - Quarterly water quality monitoring is carried out by a third party to ensure that emissions are within the limit.

- Water Recycling - At AMAK we aim to reduce the usage of water by recycling our industrial water and by using our Sewage Treatment Plant, which allows us to use this water in our irrigation and dust suppression systems. In this way, we are able to recycle a total of 90,000m3 of water yearly.

Total Recycled Water from STP	90,000 m3 Yearly

- Hazardous Waste Disposal – A hazardous waste disposal contract has been made with SEPCO (a leading waste management company in The Kingdom) and disposal is carried out as per the environmental laws.

- Medical Waste Disposal – A medical waste disposal contract has also been made with SEPCO and disposal is carried out as per the environmental laws.

- Scrap Storage Areas - Different scrap storage areas have been made for the storage of Hazardous Waste, Non-Hazardous Waste, Scrap Metals, Scrap Batteries and Scrap Electrical Cables, etc.

- Used Oil Disposal - We have a contract with a company approved by GAMEP (General Authority of Meteorology and Environment Protection and disposal is carried out as per the environmental laws.

- Disposal of Tailings – Tailings are the materials left over after ores have been separated into their valuable and non-valuable fractions. Dedicated tailing collection areas have been made with geomembrane linings and tailings are stored in those areas.

- Green Zone Development - Trees have been planted near AMAK’s office area, camps, roadsides, Processing Plant, near our Workshop, Scrap Yard etc. and plantation is continuously done to increase the green zone further.

- Sewage Treatment Plant (STP)- Around 250m^3 of treated water is produced per day from our STP, which is used in dust suppression, plantation and production.

- Housekeeping – A designated housekeeping team cleans the mine site on daily basis. We have permission from Safa Municipality for the disposal of municipal waste in that area.

OUR SOCIAL PERFORMANCE

Health and Safety

Fatality rate Lost Time Injury (LTI) and Lost Time Injury Frequency Rate (LTIFR) are key metrics which we use to assess our performance on health and safety. LTIs refer to incidents that result in disability or an employee missing work due to an injury. LTIFR looks at the frequency with which these incidents have occurred in the workplace per one million hours worked.

Year	No. of LTI	LTIFR
2020	3	1.84
2021	1	0.6
2022	1	0.6

Training and Safety in 2022

Training	No
Total training hours	7000 hr
Safety training courses	18
Near miss reports	123

AMAK is committed to taking care of its employees, working hard to ensure their safety and that of our contractor workers.

Internationally Recognised Standards and Procedures

We have an effective Health & Safety policy and procedures to ensure safe work at AMAK mine sites. We work to internationally certified standards, with the following key management and safety measures in place:

- AMAK is an IMS (Integrated Management System) certified company. We have implemented ISO 9001, ISO 14001 and ISO 45001 management systems. AMAK laboratory has been also accredited to ISO/IEC 17025:2017 standard.
- ISO 9001 is an international standard dedicated to Quality Management Systems (QMS). It outlines a framework for improving quality and looking to provide products and services that consistently meet the requirements and expectations of customers and other relevant interested parties in the most efficient manner.
- ISO 14001 certification demonstrates that our product meets environmental protection expectations, and we are fulfilling our legal obligations towards a safe environment.
- ISO 45001 is an international standard that specifies requirements for an occupational health & safety (OHS) management system. By following the ISO 45001 management system, we have improved our occupational health and safety performance and continue to improve these measures each year.
- Personal Protective Equipment (PPE) – All employees, whether AMAK employees or Contractors, have to wear mandatory and job-specific PPE at our sites.
- Health and Safety Environment (HSE) Training - All new employees must attend Safety Induction Training before the start of their job with AMAK. Job-specific, refresher HSE training is conducted periodically, to ensure employees are continually made aware of their job-related hazards and the correct control measures.
- Permit to Work System – A Work Permit is required to do high risk activities like Isolation and Lockout, Working at Height, Hot Work, Confined Space Entry, Lifting Activities and Excavation.
- Standard Operating Procedures (SOPs) – We have prepared SOPs for almost all important activities, which set out the safe methods for performing each job.

- Emergency Preparedness - AMAK has a Fire Truck and Ambulance to handle any emergency. Our Firefighting team has around 45 members to handle any fire situation. Assembly point sign boards have been installed at various locations. Emergency mock drills are conducted at regular intervals to assess our readiness for emergencies.
- Fire Fighting – AMAK's Fire Truck, multiple varying types of fire extinguishers, Fire Hose cabinets, Fire hydrants, smoke detectors and heat detectors are available to handle any fire at the mine site and camps.
- AMAK Clinic - AMAK has an onsite clinic with basic medicines and equipment. One doctor and two nurses are available. Clinic services are available 24/7.
- Worksite Inspection - Periodic workplace inspection is carried out to find and rectify unsafe work practices and conditions.
- Process of Raw Materials - Many hazardous chemicals are used in the process of manufacturing Copper Concentrate, Zinc Concentrate, Gold and Silver bullions. Chemical proof suits and masks are used for the safety of our workers. Gas monitors are installed at cyanide preparation areas for safety.
- Mining Operations - Only trained and qualified employees are engaged in drilling, use of explosives, scaling, hauling etc. Our Underground Mine has refuge chambers with gas monitors and emergency telephones.

Health and Safety Awareness

AMAK continually promotes Health and Safety awareness in multiple ways. Some of our initiatives include:

1. Rewarding employees - An award is given every month to AMAK employees or contractors for reporting incidents that were very close to being an accident or injury. This is called the 'Best Near Miss of the Month Award'. It's one of several ways in which our employees are encouraged to remain vigilant at their workplace, continually on the lookout for unsafe acts and conditions, which helps in implementing control measures to make the workplace safe.
2. Monthly Party – A monthly party is held, where all AMAK employees and Contractors celebrate together. The 'Best Near Miss Award' is given at this party and the winner is highlighted to encourage other employees to participate in HSE activities.
3. We ensure that safety signs are installed throughout our mine sites for safety awareness.
4. Onsite and Offsite safety training is conducted on a regular basis to increase and refresh safety awareness.
5. Daily safety messages are sent out to all AMAK employees to increase safety awareness and promote our health and safety protocols.
6. AMAK's ensures the involvement of our employees in health and safety discussions in safety representatives' meetings.

Incentives for Promoting Health and Safety Performance

AMAK provides a number of incentives to our employees, which are tied to health and safety performance. Many of the Key Performance Indicators (KPIs), by which we judge how well our employees are carrying out their roles, are tied to health and safety.

AMAK allocates our bonus benefits based on KPIs in which Health and safety performance is an integral part. Every employee has a target of hours spent undergoing safety training and each department has a target for Lost Time Injury Frequency Rate. In addition, every month an award is given to the department which is performing the best 'housekeeping' in their area and ensuring their department is a safe environment.

Injuries and Accidents

Mining can be inherently dangerous work. Around the world, approximately 15,000 miners are killed each year in accidents. However, AMAK believes strongly that with the right procedures in place and a culture of promoting effective health and safety practices, the risk can be minimised significantly.

As a result, we have an excellent track record on safety – reporting only 17 first aid injuries in 2022. We still believe that even one injury is too many and are taking the following steps to decrease the accident rate further:

1. Root cause analysis has been conducted for each incident and corrective actions have been implemented.
2. Refresher safety training has been conducted to increase awareness and create learnings from past incidents.
3. Risk Assessment has been conducted for the entire mine site, including all major activities, to eliminate the hazard.
4. Safety counselling is provided on regular basis, so that the employees may not repeat the same mistake in the future.
5. Development of Standard Operating Procedures (SOPs) in response to accidents and working accordingly to avoid further incidents
6. 24-hour monitoring of safety during plant shutdowns.

LOCAL CONTENT

AMAK is actively engaged with both the local community near our mines, and with local and national government, seeking to contribute resources and expertise in the public interest.
In our engagement with local communities, we are guided by five key aims:

1. Continuously educating local communities on our operational activities and their effects.
2. Creating local development initiatives within the nearby communities to create sustainable opportunities.
3. Provision of work opportunities for the locals at the mine sites.
4. Preference is given to local, and national goods and services when buying for mining operations.
5. Preference is given to local small and medium companies with contracts of tens of millions.

One area where AMAK makes a difference to the local economy is in our focus on driving opportunities for local suppliers by purchasing predominantly from businesses in The Kingdom.
As the company has grown and become ever more successful, AMAK has been able to dramatically increase its investments in the local communities where we operate and in the Saudi economy more broadly. As you will see below, between 2021 and 2022 the proportion of purchase orders being made in the domestic market grew by over 20% and our total orders from Saudi suppliers increased by over SAR 267 million. Below you can also see how these orders are distributed regionally across The Kingdom.

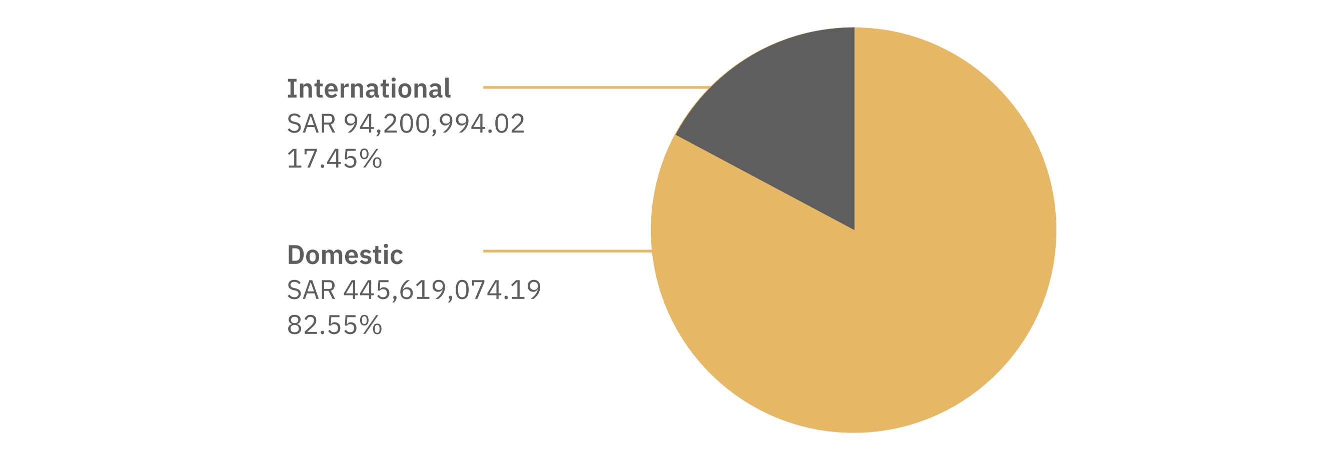
Purchase Orders in 2022

4,843 Domestic and International orders were placed in 2022.
The total amount of orders – from both Domestic and International purchases, was SAR 539,820,068.21.

4,198 purchase orders issued in the amount of SAR 445,619,074.20 from the Saudi Arabian suppliers. 83% of total orders were sourced from The Kingdom.

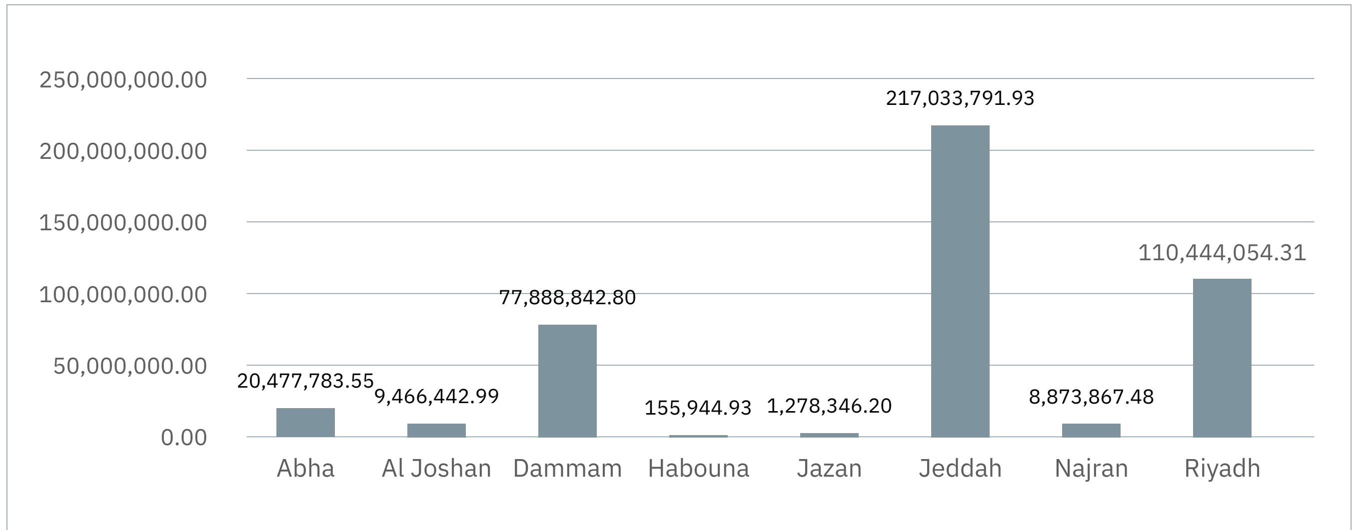
Purchases in 2022	Total Amount	Ratio	Number of Orders
Domestic Orders	SAR 445,619,074.19	82.55%	4,198
International Orders	SAR 94,200,994.02	17.45%	645
Total	**SAR 539,820,068.21**	**100.00%**	**4,843**

Breakdown of purchase orders between domestic and international



Regional Distribution of Local Purchases

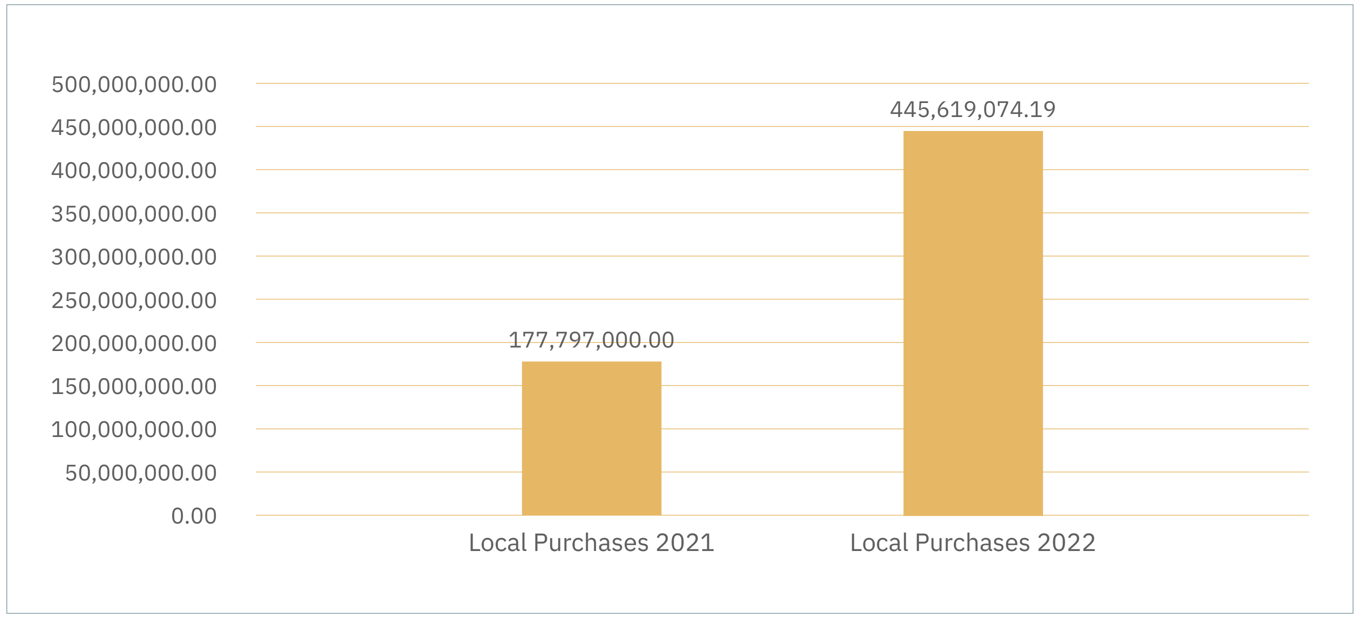
City	Sum of SAR Amount
Abha	20,477,783.55
Al Joshan	9,466,442.99
Dammam	77,888,842.80
Habouna	155,944.93
Jazan	1,278,346.20
Jeddah	217,033,791.93
Najran	8,873,867.48
Riyadh	110,444,054.31
Grand Total	**445,619,074.19**



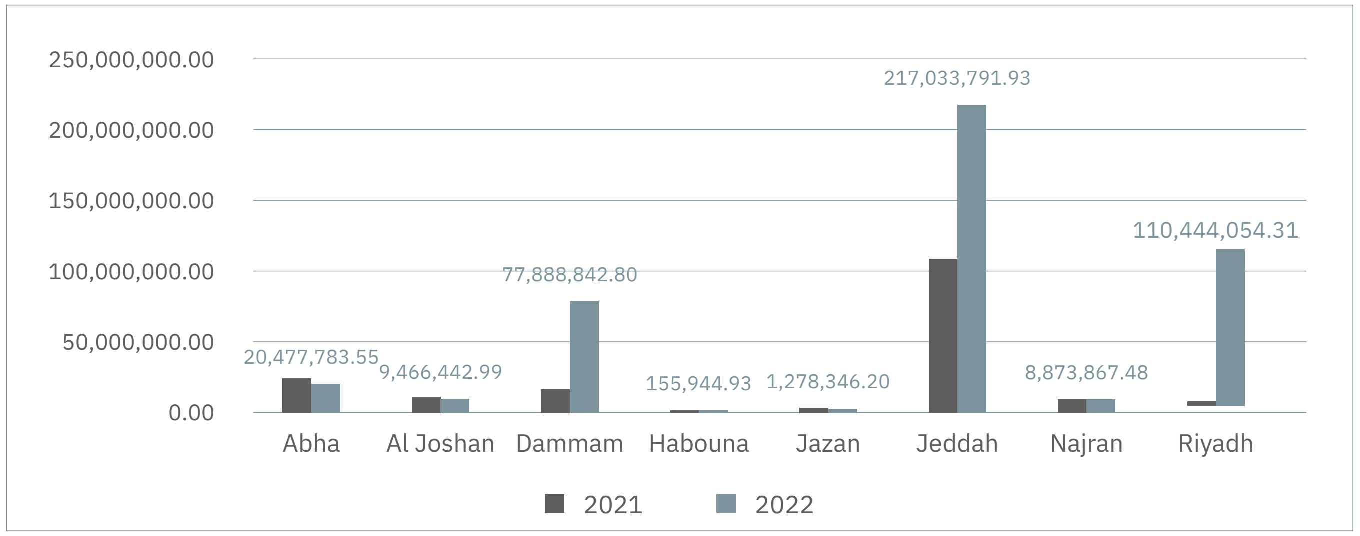
As an ardent supporter of Vision 2030, AMAK will continue to support the country's economy by increasing its local, regional and domestic purchases.

Comparison between local purchase distribution in 2022 and 2021

During 2021, total purchases amounted to around SAR 256 million both domestically and internationally. Total of domestic purchases amounted to around SAR 178 million which constitute 69.5% of total purchases with the following regional breakdown:



Comparison between local purchase distribution in 2022 and 2021 PER REGION



EMPOWERING THE LOCAL WORKFORCE

Saudization

AMAK is committed to a vision of localising quality jobs in our mines, plants and other facilities for positions including engineers, technicians, operators, geologists and accountants. Our aim is to increase the Saudization rate in all our facilities on an annual basis.

AMAK prioritises community employment and training, with increasing Saudization across the regions and provinces in which we operate. In fact, according to the Ministry of Human Resource and Social Development's Nitaqat system (which rates companies in The Kingdom according to how many Saudis we employ), AMAK has been in the Platinum Band for Saudization – the highest possible – since 2018.

To further increase this, AMAK signed a comprehensive agreement with the Human Resources Development Fund (Hadaf) to support direct employment and training in strategic institutes.

In early 2022, we have also invested SAR 2,859,517 into a training ending with employment contract with the Saudi Mining Polytechnic in the Northern Borders Province for 30 technical trainees from the provinces located in the vicinity of the mine and affiliated with the Emirate of Najran. Students joined the training program from March 27, 2022, and will study for a period of two years and six months.

Topic	2022	2021	2020
Local Saudis (from communities near the mines)	146 OUT 213 (68%)	90 OUT 140 (64%)	57 out 102 (55%)
Total Saudis	33.33%	30.1%	30.0%
Saudis in managerial positions	25%	20%	20%

Training and Education

In January 2022, we made an agreement with the Saudi Mining Polytechnic in ARAR City to train 30 Saudi trainees for a period of 2 years and 6 months to get a Diploma as Mining Technicians. It is expected that after the training period, the trainees will be knowledgeable about the Mine Operations, particularly the Processing Plants and Mining Machines Equipment, which they will eventually operate upon joining our operations team at our mine site.

Expenditure in Training and Development in 2022

Type of training and development	Expenditure (SAR)
SMP	1,945,821
Trainee's Salary	659,764
UG Mine Training	72,500
External Training	84,947
External Safety Training	96,485
	TOTAL 2,859,517

Empowering Local Suppliers

Topic	2022	2021	2020
Local Saudi suppliers	8.75%	25.52%	14.45%
Other Saudi Suppliers	91.25%	74.48%	85.55%
Total Amount Spent	**445,619,074.19 SAR**	**238,283,773.20 SAR**	**93,122,509.37 SAR**

Supporting Local Communities

AMAK is a leader in supporting charities in Najran, orphanages, and others. Since its inception and the commercial commissioning of Al Masane mine, the Company has been supporting families in need of the local community who live at a distance of 15 km from the Company's HQ, with a special focus on elderly, orphans, and widows.

The company is currently working to develop a better approach for the benefit of the communities with a more effective governance model. In 2022, AMAK commissioned the Head of our Government Relations Department and their supporting team to manage community performance, overseeing the review of complaints and inquiries from the local community.

The Department is present at the mine location, as well as at AMAK's HQ in Najran and the AMAK offices in Jeddah and Jazan. This makes it easy to receive the local community's inquiries and complaints by telephone, email, and in person.

Supporting National Initiatives

AMAK is actively engaged with both the local community near our mines, and with local and national government, seeking to contribute resources and expertise in the public interest.
Throughout 2022, representatives from AMAK attended a series of workshops across The Kingdom covering a variety of issues.

1 January 2022 - The Future of International Mining Conference
AMAK was honoured to participate as a strategic sponsor and partner, which afforded the company a leading role at the conference. There we were able to exhibit our work to the delegates through a major exhibition, in addition to participating in a discussion workshop attended by our CEO, Eng. Yahya Al-Shanqiti.

1 September 2022 – National Industry Development and Logistics Services Program, Vision 2030
AMAK participated in a workshop hosted by the National Industrial Development and Logistic Program looking at how to shape the future of a new Centre of Excellence in the Kingdom of Saudi Arabia. The workshop was held in the presence of the CEO of the Geological Survey SGS and His Excellency Eng. Abdullah bin Muftar Al-Shamrani focusing on the mining and metal industries sector.
The workshop was part of an initiative by the National Industrial Development and Logistics Program, which aims to support the future growth of the mining sector, to obtain the opinion of actors in the sector and related sectors, and to seek their counsel on the establishment of a Center of Excellence in the mining and metal industries sector.

22 September 2022 – Media Training Workshop
AMAK attended a media training workshop for listed companies, held in cooperation with the Saudi Stock Exchange Tadawul, to raise the awareness of listed companies and provide comprehensive media coverage.

15 November 2022 – Women in Mining
AMAK was involved in a workshop to enhance women's participation in the mining sector, with the support of His Excellency the Minister for Mining Affairs, Eng. Khalid bin Saleh Al-Mudaifer. Topics included women's participation, discussion of direct and indirect empowerment opportunities, discussion on the challenges facing companies in employing women, and aimed at coming up with constructive proposals and recommendations to serve, improve and increase women's participation in the mining sector.

Special meetings were held with the company to discuss the strategic objectives of women's participation in the mining sector.

7 December 2022 – International Support for the Mining Sector
AMAK joined a joint workshop with the Swedish Trade and Investment Council, organized by the Ministry of Industry and Mineral Resources. It aimed to support Saudi authorities and link them to several Swedish companies providing services related to the mining sector.

The workshop was inaugurated by His Excellency the Deputy Minister for Mining Affairs, Eng. Khaled Al-Mudaifer, and Her Excellency the Ambassador of Sweden to the Kingdom of Saudi Arabia, Ms. Petra Mnyandir.

8 December 2022 – Local Content and the Mining Sector
AMAK attended a meeting with the Local Content and Government Procurement Authority to discuss AMAK's role in contributing to local content, and the role of the authority in developing local content for the mining sector and obtaining the opinion of actors in the sector.

14 December 2022 - Mining Strategies in KSA
AMAK participated in a workshop to discuss mining strategies in The Kingdom at King Abdulaziz City for Science and Technology (KACST), which was held by the Institute of Mining and Hydrocarbon Technologies.

Women In The Mining Sector

AMAK's labor force as of November 2022 includes less than 1% female employees and this is a ratio we are determined to change. A plan was in created to support the Government's drive to increase female workers in the coming years.

AMAK's mining operations are located in remote locations and women's safety at our mine sites is a priority for us. These are amongst a series of challenges that we must overcome in the near future in order to play our part in encouraging more women into the mining sector.

GOVERNANCE

GOVERNANCE

Preamble

The company’s Board of Directors is eager to comply with the corporate governance regulations issued by the Capital Market Authority and the disclosure and transparency requirements set out in the registration and listing rules, and to develop its governance manual accordingly.

AMAK’s administrative structure consists of the company’s Board of Directors (Board), four board committees and the executive management. The Board shall be liable for setting, supervising and reviewing AMAK’s governance principles and policies, to ensure compliance with relevant rules and regulations and thus foster the company’s growth and sustainability.

The Board of Directors formed four committees to enhance its functions, whose performance shall be subject to periodic audit by the Board, according to the statutory requirements and the Board’s need for recommendations issued by the said committees (namely the Audit Committee, the Nomination and Remuneration Committee, the Commercial Committee and the Executive Committee).

The Board work regulations stipulate that Board members attend General Assembly meetings, so they meet with the shareholders or key stakeholders to listen to their suggestions, observations and directives about the company and its performance. In the interest of management, investor relations officers were appointed to bolster the shareholders’ confidence and answer their inquiries.

1.1. Board of Directors structural composition

Eng. Mohammed M. Aballala

Chairman

Mr. Ibrahim A. Musallam

Vice Chairman

Eng. Ayman A. AlShibl

Member and Board Secretary

Eng. Fekry Youssef Mohammed

Member

Eng. Mohammed Al Shehhi

Member

Mr. Majed A. bin Musallam

Member

Eng. Abdulelah Al Saleh

Member

Mr. Abdulsalam Al Draibi

Member

Eng. Savas Sahin

Member

1.2. Board members’ current roles, experience and qualifications

The Board is responsible for the general strategy and direction of the company’s business. The Board of Al Masane Al Kobra Mining Company (AMAK) consists of nine members appointed at the Ordinary General Assembly for a three-year term from 09/01/2022 AD until 08/01/2025 AD. Details of the company›s Board members along with their current roles, qualifications and experience are stated in the table below.

Name	Status	Current positions	Former positions	Qualifications	Experience
Eng. Mohammed bin Manea S. Aballala	Non-executive	Chairman of the Board of AMAK Board member of ASAS Mining Company	Worked as an Engineer Officer at the General Directorate of Military works (MODA) from 1984 AD. Retired Brigadier General Engineer in 2005 Founder and Chairman of Najran Cement from 2015 to 2022	Holds a Bachelor's degree in Civil Engineering and a Bachelor's and Master's degree in Political Science	38 years of experience, including 21 years in the engineering sector for the General Directorate of Military Works at the Ministry of Defense and Aviation (MODA)
Mr. Ibrahim bin Ali H. Musallam	Non-executive	Vice-chairman of the Board of AMAK Chairman of the Board at ASAS Mining Company	Chairman of SKAB Group of Companies Vice-chairman of SKAB Group of Companies As CEO, he led the first recycling plant in Jeddah Chairman of Al-Salam Aerospace Industries company	Holds a Bachelor's degree in International Business and Finance	Over 30 years of experience in leadership and executive roles, Board member
Eng. Ayman bin Abdulrahman H. AlShibl	Indepen-dent	Board Member and Secretary of AMAK CEO of United Medical Group Co. (UMG)	General Manager of Thamrat Najran Co. Ltd.	Holds several engineering degrees Completed several courses in Engineering Management and Information Systems Member of Saudi Council of Engineers as Consultant Engineer	38 years of experience in several companies, including 9 years in the government sector before moving on to the private sector
Eng. Fekry Youssef Mohamed	Non-executive	Board member of AMAK	Chairman of the Egyptian Marketing Company for Phosphate and Fertilizers (EMPHCO) Chairman of the Egyptian Mineral Resources Authority Vice-chairman and member of the Board of Industries Chimiques du Fluor Company (ICF) Chairman & Managing Director of Shalateen Mining Company Board member of the Egyptian Natural Gas Holding Company (EGAS)	Bachelor's degree in Geology, Zagazig University, Egypt	Over 28 years of experience in the mining and energy sector, in various executive positions and BoD membership in Egypt and KSA
Eng. Mohammed bin Ahmad M. AlShehhi	Non-executive	Board member of AMAK Chairman of the Board of the Arab Mining Company Chairman of the Board of the Arab Mining Compa-ny - Fujairah Chairman of the Board of the Arab Basalt Fiber Company Board member of the Islamic Arab Insurance Company	Board member of the Gulf Quarries Company Board member of Emirates General Petroleum Corporation	Holds an Exec-utive Master's degree from the American University of Sharjah, UAE and a Bache-lor's degree in Electrical En-gineering from the University of South Florida, USA	Over 30 years of ex-perience in the mining and energy sector in various executive positions and Board membership
Mr. Majed bin Ali H. Musallam	Non-executive	Board member of AMAK Board member of Al-Salam Aerospace Industries company Board member of ASAS Mining Company Board member of Najran Cement Company	Board member of SKAB Group of Companies	Holds a Bachelor's degree in Business Administration from King AbdulAziz University, Jeddah, KSA	Over 15 years of experience in the real estate, aviation and mining sectors
Dr. Abdulelah bin Othman N. AlSaleh	Indepen-dent	Board member of AMAK Board Vice-chairman of the Public Pension Agency Chairman of the Board of Al-Raedah Co. General Manager of Al Rabat for Investment Board member of the Golden Connect Company for Information Technology Board member of RS Infratech Saudi Ltd. Supervisory Board member of the Endowment Foundation of Mr. Othman Al Saleh	Director of the Engineering Department of the General Directorate of Military Works Director of the Contracts and Tenders Department of the General Directorate of Military Works Legal advisor of the General Directorate of Military Works Special legal advisor to the Minister of Defense Director of the Foreign Procurement and International Agreements Department at the Ministry of Defense Secretary General of the Military Service Council Secretary General of the Islamic Military Counter-Terrorism Coalition	Ph.D. in Law, University of Michigan and a Bachelor's degree in Civil Engineering, California He is a member of the American Bar Association	Over 40 years of experience, he assumed several strategic roles in governmental organizations. Board member. He also assumed more than one role in the Engineering field for several Ministries
Abdulsalam bin Abdullah A. AlDraibi	Indepen-dent	Managing Director and CEO of Najran Cement Company General manager of Wasl Al Janoub Land Transport Company	Senior investment manager / Investment Department Mergers and Acquisitions - Savola Group	Certified Financial Analyst CFA Master of Business Administration MBA Seattle University Bachelor›s degree in Management Information Systems from King Fahd University of Petroleum and Minerals	Over 14 years of experience, including several executive roles, board and committee memberships; his experience includes project management and business development, mergers and acquisitions, investment management, operational efficiency improvement, capital allocation efficiency and many training courses
Eng. Savas Sahin	Non-executive	Board member of AMAK Board member of Pasofino Gold TSX-V (VEIN) Co. CEO and member of the Board of ESAN ECZACIBASI	CEO of AMAK	Bachelor's degree in Mining Engineering Master's degree in Executive MBA	Over 25 years of experience in mining; he assumed several strategic roles at several Turkish and Australian mining companies

1.3. Committee members (from outside the Board)

Name	Current positions	Former positions	Qualifications	Experience
Commercial Committee Members				
Eng. Yahiya Bin Mohammed Al Shangiti	CEO of AMAK	Board Chairman of DRILLCORP Sahara SAUDI Worked as a consultant to the Saudi Council of Engineers Member of the National Mining Committee Board member of the Saudi Mining Polytechnic He served as head of Ma'aden Gold and Base Metals Company	Bachelor's degree in Mining Engineering, and a Master's degree in Mining Environmental Management from Britain He is a member of the American Management Association, the Society for Mining, Metallurgy and Exploration, and the Saudi Council of Engineers	Mining engineer with more than 30 years of work experience in the mining sector
Audit Committee Members				
Mr. Waleed bin Ahmad Bamaroof	Certified Public Accountant, Certified Business Valuator, Bankruptcy Trustee and Audit Partner at Talal Abu-Ghazaleh & Co.	Financial Director at Al-Ahli Takaful Company	American Institute of Certified Public Accountants Fellowship Certified Management Accountant (CMA), and the Saudi Organization for Chartered and Professional Accountants (SOCPA) fellowship. Certified Internal Auditor Fellowship (CIA) Accredited in Business Valuation (ABV); holds an Executive MBA	Over 10 years of experience as a Board and audit committee member in many joint stock companies Over 25 years of experience in accounting, auditing, compliance and corporate governance
Mr. Hassan Yassin Hassan Al Takruri	General Manager of the Arab Mining Company Joint Arab company	Executive Director / Jordan Kuwait Bank Executive Partner / PKF Jordan Senior Audit Manager / Talal Abu-Ghazaleh & Co. International Chief Auditor / Deloitte & Touche	Bachelor's degree in Accounting in 1995 Master's degree in Accounting in 2016 Holds a number of professional certificates in auditing and accounting from USA and Jordan, including: FCPA - CFE - AICPA - AMLP Member of the Institute of Financial Accountants (IFA) Member of the Montana Society of CPAs	Board Vice-chairman of the Arab Company for Detergent Chemicals - Baghdad (2016-2020) Board member of the Arab Iron and Steel Union
Mr. Mansoor Al Sharif	CEO of Alsharq Aerospace Industries Managing Director of PrivatAir Saudi Arabia Co. (PASA) Managing Director of Rabigh Wings Aviation Academy	Chief Financial Officer of the Aircraft Accessories and Components Company Project Manager at Alkhabeer Capital	Bachelor's degree in Electrical Engineering from King Saud University MBA from the University of Dayton, Ohio, USA Master's in Financial Management from San Diego State University, California, USA Air Law Diploma from IATA Aviation Safety Diploma from IATA	18 years of work experience, including executive and financial positions and memberships in multiple committees and boards of directors in companies inside and outside the Kingdom
Mr. Muhib Saleh Al Muhaideb	Director General of the Budget Department of the National Transformation Program	Head of Investor Relations at the National Industrialization Company (Tasnee) Board member of the National Batteries Company Board member of Rowad International Industrial Membranes Company Ltd. Audit Committee member of National Metal Manufacturing & Casting Co. (Maadaniyah)	MBA, Avila University, USA. Bachelor's degree in Accounting, King Saud University, KSA.	Over 18 years of diverse experience in various organizations in several managerial and executive positions
Executive Committee Members				
Eng. Yahiya Bin Mohammed Al Shangiti	CEO of AMAK	Board Chairman of DRILLCORP Sahara SAUDI Worked as a consultant to the Saudi Council of Engineers Member of the National Mining Committee Board member of the Saudi Mining Polytechnic He served as head of Ma'aden Gold and Base Metals Company	Bachelor's degree in Mining Engineering, and a Master's degree in Mining Environmental Management from Britain He is a member of the American Management Association, the Society for Mining, Metallurgy and Exploration, and the Saudi Council of Engineers	Mining engineer with more than 30 years of work experience in the mining sector
Eng. Taha Mahmoud Salman Al-Khawaldeh	General Manager of the Arab Mining Company - Fujairah General Manager of the Arab Basalt Fiber Company Director of Investment Management / Arab Mining Company	Exploration Geologist / Arab Mining Company Mining Geologist / Arab Mining Company Head of Project Development Department / Arab Mining Company Senior investment studies specialist / Arab Mining Company Steering Committee member / AMAK Board Vice-chairman of the Arab Engineering Industries Company Ltd. Board member of Al-Dar University College for Studies and Consultations	Master's degree in Applied Geology (industrial minerals and rocks)	29 years of experience in mining in the Arab Mining Company

1.4. Names of companies inside and outside KSA, in which a member of the Board was a member of current or previous boards or a former manager

Name	Member companies of the Board who are members of their current boards of directors or managers	Inside / outside the Kingdom	Legal entity (listed joint stock / unlisted joint stock / limited liability)	Names of companies whose Board members are part of previous boards or former managers	Inside / outside the Kingdom	Legal entity (listed joint stock / unlisted joint stock / limited liability
Eng. Mohammed bin Manea S. Aballala	ASAS Mining Company	Inside the Kingdom of Saudi Arabia	Limited Liability	Najran Cement Company (Chairman of the Board) Board session ends on: 8/August 2022	Kingdom of Saudi Arabia	Listed company
Mr. Ibrahim bin Ali H. Musallam	ASAS Mining Company	Inside the Kingdom of Saudi Arabia	Limited Liability	CEO of SADC environmental group	Kingdom of Saudi Arabia	Limited Liability Company
				Chairman of Al-Salam Aerospace Industries company	Kingdom of Saudi Arabia	Limited Liability Company
				Skab Group of Companies	Kingdom of Saudi Arabia	Unlisted (closed) joint stock company
Dr. Abdulelah bin Othman N. AlSaleh	Al-Raedah Co. (Chairman of the Board)	Inside the Kingdom of Saudi Arabia	Limited Liability Company			
	Al Rabat for Investment (General Manager)	Inside the Kingdom of Saudi Arabia	Limited Liability Company			
	Golden Connect Company for Information Technology (Board member)	Inside the Kingdom of Saudi Arabia	Limited Liability Company			
	RS Infratech Saudi Ltd. (Board member)	Inside the Kingdom of Saudi Arabia	Limited Liability Company			
	Endowment Foundation of Mr. Othman Al Saleh (Board member)	Inside the Kingdom of Saudi Arabia	Limited Liability Company			
Eng. Ayman bin Abdulrahman H. AlShibl	United Medical Group Co.	Inside the Kingdom of Saudi Arabia	Limited Liability Company	Najran Cement Company (Board Member and Secretary) Board session ends on: 8/August 2022	Kingdom of Saudi Arabia	Listed company
				Former General Manager of Thamrat Najran Co. Ltd.	Kingdom of Saudi Arabia	Limited Liability Company
Abdulsalam bin Abdullah A. AlDraibi	Najran Cement Company (CEO and member of the Board)	Inside the Kingdom of Saudi Arabia	Listed joint stock company			
	Wasl Al Janoub Land Transport Company (General Manager)	Inside the Kingdom of Saudi Arabia	Limited Liability Company			
Eng. Fekry Youssef Mohamed	Ministry of Petroleum, Egypt	Egypt	Governmental Body	Khalda Petroleum Company General Petroleum Company	Egypt	Listed Governmental Body
	Petrosilah Petroleum Company	Egypt	Listed company	Egyptian Marketing Company for Phosphate and Fertilizers (EMPHCO) Industries Chimiques du Fluor Company	Egypt Tunisia	Limited Liability Listed
	Egyptian Atomic Energy Authority	Egypt	Governmental Body	Shalateen Mining Company Egyptian Mineral Resources Authority (EMRA)	Egypt Egypt	Limited Liability Governmental Body
	El-Nasr Mining Company	Egypt	Limited Liability	Egyptian Natural Gas Holding Company (EGAS) The Ministry of Economic Affairs' undersecretary in Dubai	Egypt UAE	Holding company Governmental Body
	Arab Mining Company	Jordan	Limited Liability			
	Arab Institute for the Development of Metallurgical Industries	Jordan	Joint Arab company			
	Federation of Egyptian Industries - Petroleum and Mining Industries Chamber	Egypt	Governmental Body			
Eng. Mohammad bin Ahmed Al Shehhi	Chairman of the Board of Directors / Arab Mining Company	Jordan	Joint Arab company	Board member of the Gulf Quarries Company	Sultanate of Oman	Listed public joint stock company
	Chairman of the Board of Directors / Arab Mining Company - Fujairah	UAE	Limited Liability	Board member of Emirates General Petroleum Corporation	UAE	Public institution
	Chairman of the Board of Directors / Arab Basalt Fiber Company	UAE	Limited Liability			
	Board member / the Islamic Arab Insurance Company	UAE	Listed public joint stock company			
Eng. Savas Sahin	Board member of Pasofino Gold TSX-V (VEIN)	Outside the Kingdom of Saudi Arabia	Listed company	CEO of AMAK	Inside the Kingdom of Saudi Arabia	Listed company
	ESAN ECZACIBASI CEO and member of the Board of Directors	Outside the Kingdom of Saudi Arabia	Limited Liability			

Mr. Majed bin Ali H. Musallam	Al-Salam Aerospace Industries company	Inside the Kingdom of Saudi Arabia	Limited Liability	Skab Group of Companies	Kingdom of Saudi Arabia	Closed joint stock company
	Najran Cement Company (Board member)	Inside the Kingdom of Saudi Arabia	Listed joint stock company			
	ASAS Mining Company	Inside the Kingdom of Saudi Arabia	Limited Liability			

2.1. Description of any interest, contractual securities or issuance rights of the company’s Board of Directors, senior executives and their relatives on the company’s shares or debt instruments of the company or its affiliates, and any change in said interest or rights during the past fiscal year.

a. The interests and rights of the members of the Boards of Directors

Sr. No	Name of person	Number of shares beginning of year	Number of shares end of year	Net change	Percentage change
1	Eng. Mohammed bin Manea S. Aballala	4,691,441	3,886,133	(805,308)	-17%
2	Mr. Ibrahim bin Ali H. Musallam	1,460,404	1,851,070	390,666	27%
3	Eng. Mohammed bin Ahmad M. AlShehhi	-	-	-	-
4	Dr. Abdulelah bin Othman N. AlSaleh	148,700	121,250	(27,450)	-18%
5	Eng. Fekry Youssef Mohamed	-	-	-	-
6	Mr. Majed bin Ali H. Musallam	1,286,750	1,696,019	409,269	32%
7	Abdulsalam bin Abdullah A. AlDraibi	371,748	780	(370,968)	-100%
8	Eng. Savas Sahin	237,920	235,285	(2,635)	-1%
9	Eng. Ayman bin Abdulrahman H. AlShibl	1,149,451	937,265	(212,186)	-18%

Note: The company was offered for public subscription on March 9, 2022 AD

b. The interests and rights of senior executives

Sr. No	Name of person	Number of shares beginning of year	Number of shares end of year	Net change	Percentage change
1	Muhammad Shoaib Mushtaq Ahmed	-	2,200	2,200	100%

2.2. Information pertaining to any work or contract to which the Company is a party and in which a director, executive director, or anyone related to either of them has an interest.

Related Party	Nature of Relationship	Nature of Commercial Transaction	Timeframe	Amount in SAR
Arab Commercial Enterprises for Travel Company (ACE Travel)	Mr / Ibrahim bin Muslem, BoD member Mr / Majed Ali bin Muslem, BoD member	Purchasing airline tickets and accommodation for the Company›s employees	One year	1,712,396
Najran Mineral Water Company Ltd.	Mr / Ibrahim bin Muslem, BoD member Mr / Majed Ali bin Muslem, BoD member	Purchasing water for the use of the company›s employees	One year	57,960

2.3. Brief description of the roles and functions of the committees

a. Audit Committee

Implementing an effective internal control system is one of the Board of Directors’ responsibilities. The primary responsibility of the Audit Committee is to ensure that the implementation of the internal control system is adequate and effective, and to present to the Board of Directors any recommendations that would activate and develop the system to achieve the Company’s goals. The Committee is also accountable for reviewing the risk management policies, annual risk report, and risk reduction plans prior to submitting them to the Board of Directors. The Committee is in charge of ensuring compliance with the Capital Market Authority›s and the Corporate Governance Manual›s regulations and practices regarding corporate governance. Below is a brief description of the Audit Committee’s role and responsibilities:

1. Submit periodic and regular reports to the Board of Directors regarding the Audit Committee’s activities and recommendations.
2. Facilitate communication between the internal auditor, external auditors, and the Board of Directors.
3. Submit an annual report to the Board of Directors detailing the Committee’s composition, responsibilities, conduct, and any other information required by the rules, including approval of non-audit services.
4. Examine any additional reports issued by the Company that pertain to the Committee’s responsibilities.
5. Carry out additional tasks associated with this activity, at the request of the Board of Directors.
6. Pursue allegations pertaining to material, financial, ethical, or legal violations; Examine grave violations of Company policies, alleged violations of legal provisions, or violations of professional conduct identified by the internal auditor or any other employee.
7. Conduct, supervise, and direct private investigations, as required, into matters pertaining to the Company’s financial statements, internal controls, compliance with labor laws, or work ethics.

8. Review all significant matters within the scope of the Committee›s charter, including any changes in accounting principles, with management and external auditors prior to deciding on the Company's reporting practices and reporting to the Board of Directors.
9. Review and assess the adequacy of the Audit Committee›s charter annually, and request Board of Director's approval for any proposed changes.
10. Review and assess the adequacy of the Audit Committee›s charter annually, request Board of Director›s approval for any proposed changes, and ensure compliance with legal and regulatory disclosure requirements.
11. Review with the administration the status of Zakat/tax declarations and tax issues.
12. Confirm annually that all responsibilities outlined in the charter are being met.
13. Assess the performance of the Audit Committee and individuals on a periodic basis, and establish procedures for receiving, retaining, and processing complaints received by the Company regarding accounting, internal accounting controls, or audit matters, as well as procedures for confidential and anonymous submissions by employees regarding questionable accounting or audit matters.
14. Always be available for suggestions, questions, or advise from external auditors, internal auditors, and executive management.

The Audit Committee is comprised of five (5) members appointed for three (3) years by the General Assembly. At least one Audit Committee member must be an independent member, and an executive director may not serve on the committee. At least one Audit Committee member must have expertise in finance and accounting. On November 25th, 2021, the members of the Committee were appointed by the Company›s General Assembly.

The Board of Directors shall take every necessary measure to enable the Audit Committee to carry out its duties, including notifying the Committee of all data, information, reports, records, correspondence, and other matters deemed necessary by the Committee.
The Committee convened five times in 2022. The following table displays the Audit Committee's attendance record for the year 2022

			Number of Meeting				
			1	2	3	4	5
Sr. No	Name	Job Position	13/03/2022	16/05/2022	07/08/2022	30/10/2022	08/12/2022
1	Mr. Waleed bin Ahmed Bamaroof	Chair of the Committee	✓	✓	✓	✓	✓
2	Abdulsalam bin Abdullah A. AlDraibi	Committee member	✓	✓	✓	✓	✓
3	Mr. Mansour bin Nasser Al Sharif	Committee member	✓	x	✓	✓	x
4	Mr. Muhib Saleh Al Muhaideb	Committee member	✓	✓	✓	✓	✓
5	Mr. Hassan bin Yassin Al Tkrouri	Committee member	✓	✓	✓	✓	✓

Committee recommendations:
The Audit Committee recommends that the company hire an internal auditor. In replacement of an internal auditor, the company contracts with an internal audit office to conduct the audit.
The Audit Committee recommendations that conflict with the Board of Director's decisions or are rejected by the Board regarding appointing, dismissing, or determining the fees of the external auditor, as well as the justifications for those recommendations.
There are no Audit Committee recommendations that contradict the Board of Directors' decisions or the Board's refusal to take any action related to appointing, dismissing, determining the fees and evaluating the performance of the Company's external auditor or appointing an employee as internal auditor.

b. Executive Committee

The primary responsibility of the Executive Committee of the Company's Board of Directors is to assist the Board in carrying out the activities and responsibilities delegated to it by the Board in order to facilitate the company's workflow. The Committee's scope of work shall encompass all measures necessary for it to carry out its duties, including:

- Assist the Board of Directors in carrying out the tasks and responsibilities delegated to it by the Board of Directors in order to improve the Company's workflow.
- Assist the Board of Directors in developing the company's primary strategic objectives and investment strategies.
- Assist the Board of Directors in defining and establishing the vision and mission of the Company.
- Develop an action plan based on the vision and mission of the company and assist the board in determining the work direction.
- Assist the Board of Directors in conducting a regular strategic review of the Company's performance to determine if it is meeting its short- and long-term objectives.
- Examine and approve all significant investment decisions in accordance with the Company's approved strategies.
- Develop business processes and operational policies and procedures to be adhered to throughout the company's daily operations.
- Explore cost-effective and efficient methods of conducting business in order to meet customer expectations and ensure their satisfaction.
- Ensure senior management and the Board of Directors have adequate coordination and communication.

The Board of Directors appoints four (4) members to the Executive Committee for a term of three (3) years. The Committee members were appointed on January 10th, 2022, in accordance with the Board of Directors' decision No. (02/2022) dated 07/06/1443 A.H., which corresponds to January 10th, 2022. The Board of Directors shall take every necessary measure to enable the Executive Committee to carry out its duties, including notifying the Committee of all data, information, reports, records, correspondence, and other matters deemed necessary by the Committee.

Sr. No	Name	Job Position	Number of Meeting 1 25/01/2022	2 16/02/2022	3 29/03/2022	4 15/05/2022	5 18/07/2022	6 14/10/2022
1	Eng. Savas Sahin	Chair of the Committee	✓	✓	✓	✓	✓	✓
2	Eng. Yahiya Bin Mohammed Al Shangiti	Committee member	✓	✓	✓	✓	✓	✓
3	Abdulsalam bin Abdullah A. AlDraibi	Committee member	✓	✓	✓	✓	✓	✓
2	Eng. Taha bin Mahmoud Al Khawalda	Committee member	No meetings have been attended by the new member					

Eng. Taha bin Mahmoud Al Khawalda was appointed per the decision of the Board of Directors at meeting No. (72) on 19/04/1444 A.H., which corresponds to November 13th, 2022.

c. Commercial Committee

The primary responsibility of the Commercial Committee is to oversee the risk management of the Company's business activities, management policies, the reliability of financial and management reporting, and compliance with applicable laws. The Committee's scope of work shall encompass all measures necessary for it to carry out its duties, including:

- Examine the strategic direction of the business's activities and oversee the implementation of the agreed-upon strategy.
- Examine business and other transactions to ensure that they adhere to the agreed-upon strategy.
- Review and assess business performance.
- Submitting recommendations to the Board of Directors to fix the prices of base metals and precious metals by obtaining the best prices and overseeing the sales operations.

The Commercial Committee is comprised of four individuals, three of whom are Board of Directors members and one member of the company's management. The members of the Committee were appointed on January 10th, 2022 in accordance with the Board of Directors' decision No. (02/2022) dated 07/06/1443 A.H., which corresponds to January 10th, 2022. In 2022, the committee fulfilled its duties and responsibilities by holding five meetings. The following table displays the attendance of committee members at meetings.

Sr. No	Name	Job Position	Number of Meeting 1 28/01/2022	2 05/03/2022	3 29/03/2022	4 05/06/2022	5 13/11/2022
1	Eng. Mohammed bin Manea S. Aballala	Chair of the Committee	✓	✓	✓	✓	✓
2	Eng. Savas Sahin	Committee member	✓	✓	✓	✓	✓
3	Eng. Yahiya Bin Mohammed Al Shangiti	Committee member	✓	✓	✓	✓	✓
4	Eng. Fekry Youssef Mohamed	Committee member	✓	✓	✓	✓	✓

d. Nomination and Remuneration Committee

The primary responsibility of the Nomination and Remuneration Committee is to identify qualified candidates for Board of Directors membership. The Committee's scope of work encompasses all tasks necessary for it to carry out its duties, including:

- Assist the Board of Directors in identifying qualified individuals to become Board of Directors members and recommend candidates to the Board of Directors for nomination at the annual general meeting of shareholders for election as Board of Directors members. The Committee may, at its discretion, consider candidates proposed by shareholders and management.
- Annual review of the appropriate skill requirements for membership on the Board of Directors and preparation of a description of the capabilities and qualifications required for this membership, including the amount of time a member of the Board of Directors must devote to Board activities.
- Review the formation of each committee of the Board of Directors and recommend for approval to the Board of Directors the members of the Board of Directors who will serve as committee members.
- Assist the Board of Directors in selecting, developing, and evaluating potential candidates for CEO positions, including the Board Chair, and supervise the creation of executive succession plans.
- Maintain an orientation program for new managers.
- Develop the Board of Directors' annual self-assessment process, recommend it to the Board of Directors for approval, and oversee the Board of Directors' annual self-assessment.
- Assist the Board of Directors in determining each director and executive's compliance with the Company's Code of Conduct and Ethics on an annual basis, and report to the Board any violations of this Code.
- Review the size and compensation of the structure regularly, including the required skills, knowledge, and experience of the Board, and recommend changes.
- Establish clear compensation and reward policies for the Board of Directors and senior executives (chief financial officer and head of operations).
- Recommend the compensation structure and amount for the director. In the context of carrying out this responsibility, the Committee seeks to attract, motivate, reward and retain the members of the Board of Directors who have high integrity and superior ability and who are focused on enhancing long-term shareholder value.

Taking into account the requirements that members of the Nomination and Remuneration Committee must meet, the Board of Directors shall appoint the Committee's members for a three-year term. The Board of Directors shall take all necessary steps to enable the Nomination and Remuneration Committee to carry out its duties, including notifying the Committee of all data, information, reports, records, correspondence, or other matters that the Committee deems necessary.
The Nomination and Remuneration Committee is comprised of three (3) individuals. The Committee members were appointed on January 10, 2022, in accordance with the Board of Directors' decision No. (02/2022), dated 07/06/1443 A.H., which corresponds to January 10, 2022.

During 2022, the Committee met four times. The table below shows the Committee's attendance record for the entire year.

Sr. No	Name	Job Position	Number of Meeting 1 20/03/2022	2 05/05/2022	3 18/07/2022	4 25/12/2022
1	Dr. Abdulelah bin Othman N. AlSaleh	Chairman of the Nomination and Remuneration Committee	✓	✓	✓	✓
2	Eng. Mohammed bin Ahmed Al-Shehhi	Member of the Nomination and Remuneration Committee	✓	✓	✓	✓
3	Abdulsalam bin Abdullah A. AlDraibi	Member of the Nomination and Remuneration Committee	✓	✓	✓	✓

2.4. Methods used by the Board of Directors to evaluate its own performance and that of its committee members, as well as the external body that conducted the evaluation and its relationship with the company, if any.

The Nomination and Remuneration Committee has developed a form for internally assessing the performance of the Board of Directors and its committees without the involvement of external parties. Members of the Board of Directors have taken part in the evaluation and voiced their opinions. The Nomination and Remuneration Committee examines the findings and makes recommendations to the Board of Directors.

2.5. Executive Management

The executive management team's current roles, qualifications, and experience are detailed below.

Name	Current positions	Former positions	Qualifications	Experience
Eng. Yahiya Bin Mohammed Al Shangiti	CEO of AMAK	Board Chairman of DRILLCORP Sahara SAUDI Worked as a consultant to the Saudi Council of Engineers Member of the National Mining Committee Board member of the Saudi Mining Polytechnic He served as head of Ma'aden Gold and Base Metals Company	Bachelor's degree in Mining Engineering, and a Master's degree in Mining Environmental Management from Britain He is a member of the American Management Association, the Society for Mining, Metallurgy and Exploration, and the Saudi Council of Engineers	Mining engineer with more than 30 years of work experience in the mining sector
Mr. Muhammad Shoaib Mushtaq*	Acting CFO	Manager Financial Reports Enaya Cooperative Insurance Company	Bachelor of Economics, Certified Finance and Accounting Expert from the Institute of Chartered Accountants of Pakistan, Certified Associate Accountant (CPA) from the Institute of Public Financial Accountants of Pakistan Saudi Organization of Auditors and Accountants Associate Member (SOCPA)	16 years of diverse experience in financial affairs and accounts, system design and implementation, taxation, and internal & external auditing in a number of sectors including the Big Four auditing firms, manufacturing, insurance, and the services sector.
Mr. Kamran Ghous	Former CFO	Financial Director, Al-Amthal Finance Company, KSA Financial Director, Alraedah Finance Company, KSA	Bachelor of Applied Accounting, Oxford Brookes University, UK Certified Public Accountant and Comptroller General - Certified Public Accountant and Certified Public Accountant in Canada, British Columbia Member of the Association of Certified Public Accountants - Association of Certified Public Accountants Accountants - Kaplan Financial Institutions, London, UK	Over 14 years of experience in financial management and financial reporting.
Eng. Andrew Pix**	Operations Manager	General Manager of Hill & Gold Mining Company Limited, a listed joint stock company established in Australia.	Bachelor of Mining Engineering, University of Newcastle, UK	+13 years of executive experience in the mining industry.

*The current CFO (designate) was appointed pursuant to the Board of Directors› decision No. (15/2022), dated September 11th, 2022. This was immediately following the resignation of Mr. Kamran Ghous, the former CFO, in September 2022.
** Eng. Andrew Pix, the Operations Manager, resigned in June 2022.

2.6. Number of the Board of Directors meetings held during the last fiscal year, meeting dates, and attendance record of each meeting with the names of those present

The Board of Directors shall hold at least four meetings per year to review the company›s implementation of strategic decisions, initiatives, and accomplishments.

In 2022, the Board of Directors held five (5) meetings. The table below displays the meeting dates and attendance records.

Sr. No	Board members / Number of meeting / Date	Eng. Mohammed bin Manea S. Aballala	Mr. Ibrahim bin Ali H. Musallam	Eng. Mohammed bin Ahmad M. AlShehhi	Dr. Abdulelah bin Othman N. AlSaleh	Eng. Fekry Youssef Mohamed	Mr. Majed bin Ali H. Musallam	Eng. Savas Sahin	Abdulsalam bin Abdullah A. AlDraibi	Eng. Ayman bin Abdulrahman H. AlShibl
1	2022/01/10 - 68	✓		✓	✓	✓	✓	✓	✓	✓
2	2022/03/29 - 69	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	2022/06/05 - 70	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	2022/07/18 - 71	✓		✓	✓	✓	✓	✓	✓	✓
5	2022/11/13 - 72	✓	✓	✓		✓		✓	✓	✓
	Total number of meetings	5	5	5	5	5	5	5	5	5
	The total attendance of meeting	5	3	5	4	5	4	5	5	5

2.7. A list of the dates and names of the Board of Directors members who attended General Assembly meetings held during the previous fiscal year.

In 2022, one Extraordinary General Assembly meeting was held on: June 26th, 2022 utilizing new technologies and a digital platform. The table below displays the Board of Directors' attendance record at the General Assembly:

Sr. No	Name	Annual general meeting June 26th, 2022
1	Eng. Mohammed bin Manea S. Aballala	✓
2	Mr. Ibrahim bin Ali bin Musallam	✓
3	Eng. Mohammed bin Ahmed Al-Shehhi	✓
4	Eng. Ayman bin Abdulrahman H. AlShibl	✓
5	Eng. Fekry Youssef Mohammed	✓
6	Mr. Majed bin Ali H. Musallam	✓
7	Dr. Abdulelah bin Othman N. AlSaleh	✓
8	Abdulsalam bin Abdullah A. AlDraibi	✓
9	Eng. Savas Sahin	✓

2.8. Number of requests for shareholder records made by the company, dates, and reasons

Nine requests were made for the shareholders' records, which are detailed as follows:

Type of request	Date of request	The reason for the request
Detailed - at the level of investment portfolios (A)	28 / 03 / 2022	Corporate procedures
Detailed - at the level of investment portfolios (A)	15 / 06 / 2022	Corporate procedures
Detailed - at the level of investment portfolios (A)	21 / 06 / 2022	Corporate procedures
Quantities - at identity level (B)	26 / 06 / 2022	General Assembly
bonds	02 / 10 / 2022	Other
Detailed - at the level of investment portfolios (A)	14 / 11 / 2022	Other
Detailed - at the level of investment portfolios (A)	21 / 11 / 2022	Profits file
Detailed - at the level of investment portfolios (A)	13 / 12 / 2022	Corporate procedures
Detailed - at the level of investment portfolios (A)	02 / 01 / 2023	Corporate procedures

2.9. Disclosure of the remuneration for the Board of Directors members and the Executive Management as per Article No. (90) of the Corporate Governance Regulations

- Remuneration policy for members of the company›s Board of Directors

1. The Nominations and Remuneration Committee shall make recommendations to the Board of Directors on remuneration for Board of Directors members. The remuneration for Board of Directors members shall be determined by the company›s General Assembly.
2. The Board of Directors shall determine the chairman›s and Board members› remuneration based on the recommendation of the Nominations and Remuneration Committee.
3. Members of the Board of Directors shall be compensated financially or in-kind. In all cases, the total remuneration for one member may not exceed Five Hundred Thousand Saudi Riyals (SAR 500,000) annually. The annual remuneration shall be divided among the members of the Board of Directors and according to the (appointment date) for new members.
4. The remuneration for the Board Secretary shall be determined by the Board of Directors.
5. Members of the Board of Directors who live outside the cities where the Board or General Assembly meetings are held shall be entitled to reimbursement for expenses incurred in attending the meetings, provided that the costs are reasonable and acceptable by business standards, such as transportation, food, accommodation, etc.

- Board committee members' remuneration

The Nominations and Remuneration Committee shall make recommendations to the Board of Directors on the remuneration for the Board of Directors committees.

1. The Audit Committee members› remuneration shall be determined by the Nominations and Remuneration Committee›s recommendation to the Board of Directors. The Board of Directors shall determine the remuneration for the other Board committee members, the

Board secretary, and the secretaries of the committees in exchange for their attendance at committee meetings or other expenses.

2. Members of Board committees who live outside the cities where the committee meets are entitled to reimbursement for expenses incurred in attending meetings, provided that the costs are reasonable and acceptable by business standards, such as travel, meals, accommodation, and other expenses.
3. The remuneration must be fair and consistent with the Board committee members› competencies, duties, and responsibilities. Furthermore, the remuneration must be commensurate with the company›s activity and the required skills of the members.

- Remuneration for senior executives

The Nominations and Remuneration Committee shall make recommendations to the Board of Directors on the remuneration for the company's senior executives based on the company's annual performance indicators and net profit. The annual remuneration for senior executives must be approved by the Board of Directors.

The company shall commit to fair remuneration practices and standard benefits that will attract and reward qualified executives.

- Remuneration for the Board of Directors members (in thousand Saudi Riyals)

	Fixed Remunerations						
Independent Directors	**Specific amount**	**Allowances for attending board meetings committee**	**Total Allowances for attending committee meetings committee**	**In-kind benefits**	**Remunerations for technical, managerial and consultative work**	**Remunerations of the chairman, Managing director or secretary, if any**	**Total**
Dr. Abdulelah O. AlSaleh	300	20	12	-	-	-	332
Mr. Abdulsalam A. AlDuraibi	300	25	45	-	-	-	370
Eng. Savas Sahin	300	25	33	-	-	-	358
Eng. Ayman H. AlShibl	300	25	-	-	-	240	565
Total	**1,200**	**95**	**90**	**-**	**-**	**240**	**1625**
Non-Executive Directors				-	-	-	-
Eng. Mohammed bin Manea S. Aballala	300	25	15	-	-	200	540
Mr. Ibrahim bin Ali H. Musallam	300	15	-	-	-	-	315
Eng. Mohammed bin Ahmad M. AlShehhi	300	25	12	-	-	-	337
Eng. Fekry Youssef Mohamed	300	25	15	-	-	-	340
Mr. Majed bin Ali H. Musallam	300	20	-	-	-	-	320
Total	**1,500**	**110**	**42**	**-**	**-**	**200**	**1852**
Third Executive Directors				-	-	-	
Total	**2,700**	**205**	**132**	**-**	**-**	**440**	**3,477**

	Variable Remunerations								
Independent Directors	**Percentage of profits**	**Periodic Remunerations**	**Short-term incentive plans**	**Long-term incentive plans**	**Granted shares**	**Total**	**End-of-service Award**	**Aggregate Amount**	**Expenses Allowance**
Dr. Abdulelah O. AlSaleh	-	-	-	-	-	-	-	-	-
Abdulsalam bin Abdullah A. AlDraibi	-	-	-	-	-	-	-	-	-
Eng. Savas Sahin	-	-	-	-	-	-	-	-	-
Eng. Ayman H. AlShibl	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non-Executive Directors	-	-	-	-	-	-	-	-	-
Eng. Mohammed bin Manea S. Aballala	-	-	-	-	-	-	-	-	-
Mr. Ibrahim bin Ali H. Musallam	-	-	-	-	-	-	-	-	-
Eng. Mohammed bin Ahmad M. AlShehhi	-	-	-	-	-	-	-	-	-
Eng. Fekry Youssef Mohamed	-	-	-	-	-	-	-	-	-
Mr. Majed bin Ali H. Musallam	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Third Executive Directors									
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

The amount indicated in the table above represents the annual remuneration based on the Board of Directors membership period for the fiscal year that ended on December 31, 2021. After receiving approval from the General Assembly on June 26, 2022, the amounts were disbursed in 2022.

- Remuneration for senior executives (in thousand Saudi Riyals)

The total amounts received by senior executives, including the CEO and CFO, are shown in the table below:

	Fixed Remunerations				Variable Remunerations						End-of-service Award	Total Remunerations for board executive, if any	Aggregate Amount
Senior Executives	**Salaries**	**Allowances**	**In-kind benefits**	**Total**	**Periodic Remunerations**	**Profits**	**Short-term incentive plans**	**Long-term incentive plans**	**Granted shares**	**Total**			
Total	**1,762,917**	**509,021**	**-**	**2,271,937**					**1,301,171**	**3,601,367**	**253,999**		

Executive Management

Name	Fixed Remunerations	Variable Remunerations	End of service benefits (Paid/Payable)	Aggregate amount
Executive Management	2,271,937	1,301,171	253,999	3,827,107

The company disclosed the executives' remuneration in accordance with Article (90) of the Corporate Governance Regulations. The company aspires to disclose executive remuneration in accordance with the level of public disclosure in the Saudi financial market and the maturity of practice, in order to provide the correct impression of the mechanism of compensation procedures, which is dependent on human capital competitiveness. Furthermore, guided by the discretionary power in Article (87) of the Rules on the Offer of Securities and Continuing Obligations, the company seeks to avoid the risks associated with detailed disclosure.

- Remuneration for committee members (thousand Riyals)

Committees Members Remuneration

	Audit Committee Members	Fixed Remuneration (Except for the allowance for attending Board meetings)	Allowance for attending Board meetings	Total
1	Mr. Waleed bin Ahmed Bamaroof	150	15	165
2	Mr. Abdulsalam A. Al Draibi	-	15	15
3	Mr. Hassan bin Yassin Al Tkrouri	-	15	15
4	Mr. Mansour Alshareef	-	9	9
5	Mr. Mehaideb S. Al-Mehaideb	-	15	15
	Total	**150**	**69**	**219**

	Remuneration and Nomination Committee Members			
1	Dr. Abdulelah O. Al Saleh	-	12	12
2	Engr. Mohammed Ahmed Al Shehhi	-	12	12
3	Mr. Abdulsalam A. Al Draibi	-	12	12
	Total	**-**	**36**	**36**

	Commercial Committee Members			
1	Engr. Mohammed bin Mana Aballala	-	15	15
2	Mr. Yahiya Alshangiti	-	15	15
3	Engr. Savas Sahin	-	15	15
4	Engr. Fekry Youssef Mohammed	-	15	15
	Total	**-**	**60**	**60**

	Executives Committee Members			
1	Mr. Yahiya Alshangiti	-	18	18
2	Mr. Abdulsalam A Al Draibi	-	18	18
3	Mr. Taha Khawaldeh	-	-	-
4	Engr. Savas Sahin	-	18	18
	Total	**-**	**54**	**54**

*All of the remuneration or Board of Directors members and Executive Management mentioned above did not include any significant deviation from the approved policies.

The Board of Directors members and its associated committee members were entitled to the following remunerations:

1. Each member of the Board of Directors was compensated with three hundred thousand (300,000) Saudi Riyals. The chairman of the Board of Directors also received an additional compensation of two hundred thousand (200,000) Saudi Riyals. In addition, the Board Secretary was compensated two hundred and forty thousand (240,000) Saudi Riyals for overseeing the company›s business during the fiscal year ending on December 31st, 2021.

2. The Chairman of the Audit Committee was granted an allowance of one hundred fifty thousand (150,000) Saudi Riyals for the fiscal year ending on December 31st, 2021.

- Meeting attendance allowance

Members of the Board of Directors received a fixed compensation of five thousand (5,000) Saudi Riyals for attending Board of Directors.

Committee members (including those who are not members of the Board of Directors) are compensated 3,000 Saudi Riyals for each meeting they attend.

Any penalty, precautionary measure, or precautionary attachment imposed on the company by the Authority or any other supervisory, regulatory, or judicial authority must include the reason for the violation, the signing entity, methods to address it, and ways to prevent it in the future.

No penalty, precautionary measure, or precautionary attachment is imposed on Al Masane Al Kobra Mining Company (AMAK) by the Capital Markets Authority or any other supervisory, regulatory, or judicial entity inside and outside KSA.

2.10. The report of the external auditor on the financial statements

The external auditor issued an unqualified opinion regarding the financial statements of the company for the fiscal year ending December 31st, 2022.

2.11. The annual review's findings regarding the effectiveness of the company's internal control procedures

In order to verify the effectiveness of the company's internal control system, the internal auditor submits periodic reports to the Audit Committee on the operational, administrative, and financial operations. The periodic reports revealed no fundamental weaknesses in the internal control system of the company.
As part of the company's audit functions, the external auditor evaluates the internal control procedures and is permitted to review all Board of Directors and affiliated committee meeting minutes and internal audit reports.

The company maintains treasury shares for its employees in accordance with the following table:

Disclose details of treasury shares maintained by the Company, and details of utilizing such shares:

Dividend Payment 2022	SAR / Share
August 2022	2.0
November 2022	0.6
Total dividend	**2.6**

2.12. Company declarations

The AMAK Board of Directors acknowledges the following in light of the available data, the company's auditor's report, and future indicators:

- The accounts reports have been properly prepared according to the accounting standards issued by the Saudi Organization for Chartered and Professional Accountants-SOCPA.
- The internal control system has been prepared on sound foundations and implemented effectively.
- There are no fundamental concerns about the company's ability to continue operations, Allah willing.
- During the fiscal year 2022, there were no significant businesses or contracts in which the company, a member of its Board of Directors, a senior executive, or a relevant individual had an interest, except for those listed in the report as work with relevant parties.

2.13. Disclosure of the details of the company's treasury shares and the uses of these shares

The company maintains treasury shares for its employees in accordance with the following table:

Disclose details of treasury shares maintained by the Company, and details of utilizing such shares:

Transactions	Number of treasury shares maintained by the company	Value SAR
Opening balance at 01-Jan-2022	1,458,850	19,441,401
Share based compensation during 2022	(256,637)	(3,420,079)
Closing balance at 31-Dec-2022	1,202,213	16,021,322

CORPORATE GOVERNANCE

3.1. Provisions/clauses that do not apply to AMAK

1. AMAK has not given any of its Board of Directors members a cash loan or guaranteed a loan that a Board member has concluded with a third party.
2. AMAK holds no voting interest in the Company's shares. No categories or numbers have been assigned to convertible bonds, contractual securities, preemptive rights, or other similar rights.
3. During the current fiscal year, the company has not issued or granted any rights, conversions, or subscriptions pertaining to convertible bonds, contractual securities, subscription bonds, or similar rights.
4. No arrangements or agreements under which a member of the company's Board of Directors or a senior executive waives any remuneration and profits.
5. No investments or reserves were created to benefit the company's employees.
6. There was no recommendation from the Board of Directors to replace the auditor before the end of their appointed term.
7. The company has no conversion or subscription rights for convertible bonds.

3.2. A description of any redemption, purchase, or cancellation of any redeemable convertible bonds and the value of the existing securities

The Company has not issued, redeemed, purchased, or canceled any redeemable convertible bonds.

3.3. The Corporate Governance Regulations provisions that are applied or not applied and justifications

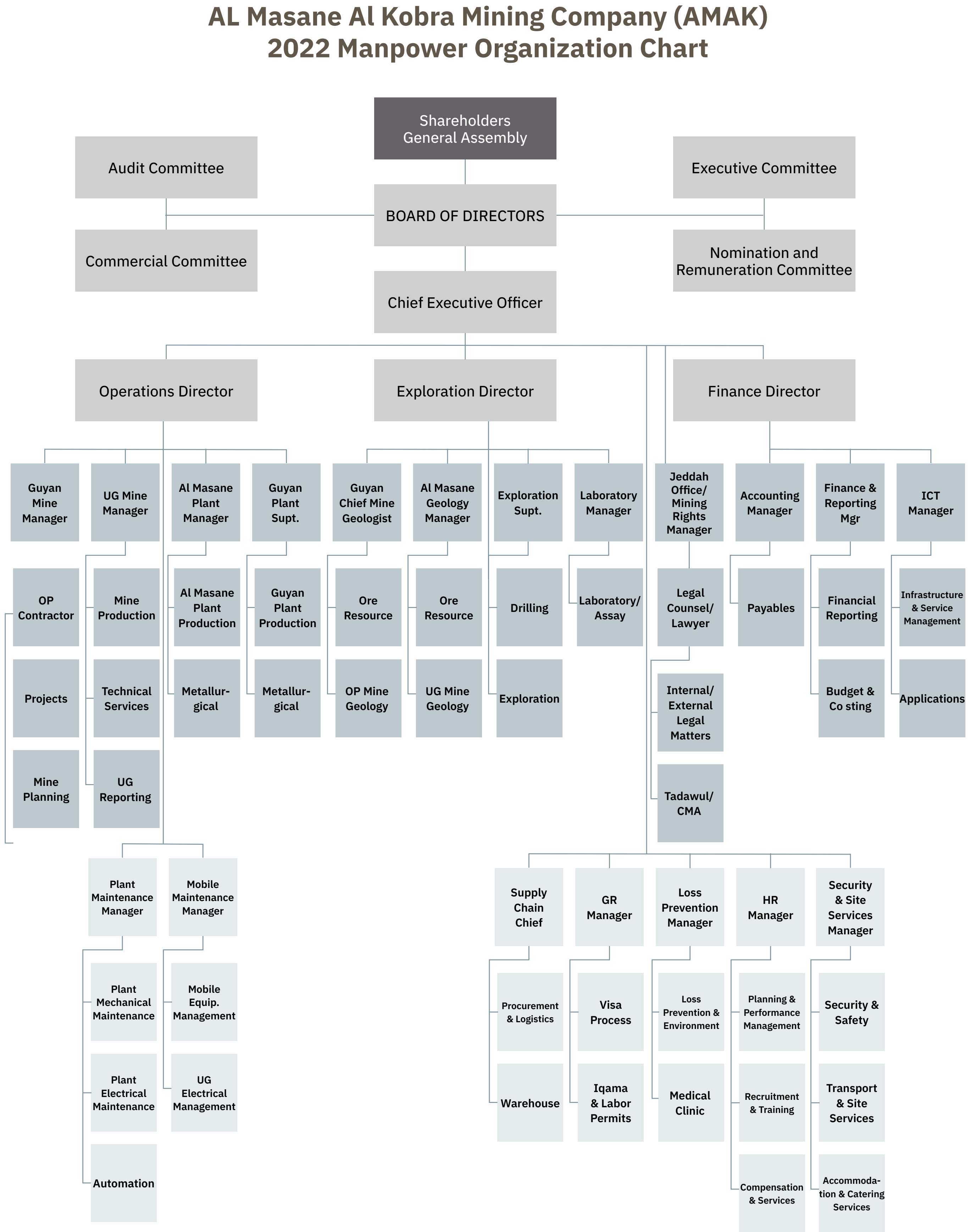
The company is currently adhering to the mandatory governance requirements applicable to Saudi public shareholding companies, with the exception of certain mandatory provisions pertaining to listed companies, which it is not currently adhering to, as outlined below:

1. The company is currently committed to the mandatory governance requirements applied to the Saudi public shareholding companies, except for some of the directive provisions related to the listed companies, which the company is not currently abiding by as follows:

Article No.	Clause No.	Requirements	Reasons for non-application
39	(E)	Evaluation: Every three years, the Board of Directors makes the necessary arrangements to obtain a performance evaluation from a competent external entity.	The three-year window for an outside entity to conduct the evaluation has not yet expired.
39	(F)	Evaluation: The non-executive members of the Board of Directors regularly evaluate the performance of the Chairman.	Article indicative of future application
67	-	Forming the Risk Management Committee	Indicative article
69	-	The Risk Management Committee meets periodically (at least every six months) and as required.	Indicative article
82	2	Employee incentives: Creating a system for granting company shares or a percentage of the company's profit, a retirement program for employees, and an independent fund for the program.	Indicative article
82	3	Employee incentives: Establishing social institutions for the benefit of employees	Indicative article
84	-	Social responsibility	Indicative article
85	1	Social initiative Developing measurement indicators linking the company's performance to social work initiatives and comparing to other businesses engaged in similar activities	Indicative article
85	4	S ocial initiative Developing programs to educate the public about the social responsibility of the company	Indicative article
92	-	Forming a Corporate Governance Committee	Indicative article

SENIOR MANAGEMENT OVERVIEW

SENIOR MANAGEMENT OVERVIEW



RISK MANAGEMENT

RISK MANAGEMENT

AMAK has formed a Risk Management Committee that oversees the articulation of the risk management strategy of the company. The committee is also responsible for determining what the acceptable level of risk for the company is, considering the nature of the mining sector. One other responsibility that falls under this committee is assessing the effectiveness of the risk management system that is set up in the company. The committee is also tasked with bringing the culture of risk management into the company by promoting the practice among employees.

Information about any risks the Company faces (whether operational or financing risks or market risks) and the policy for managing and monitoring these risks

The Board of Directors endeavours to establish strong foundations to support the Company in carrying out its operations, developing resources and expanding activities. AMAK's risk management system aims to protect strategic objectives and activities, ensure commitment in following the correct provisions of Corporate Governance regarding risk management and disclosure, increase efficiency of management, and seize opportunities to increase the value of AMAK's assets and profitability in the long run. The Board of Directors, according to the information available to it, confirms that there is no doubt about the Company's ability to continue its activities.

Potential risks which may affect AMAK's future plans include but are not limited to - increases in fuel prices supplied by ARAMCO, expansion of production capacity by existing Mines, a decline in metal prices, higher freight and transport costs, higher raw material costs, higher costs and fees for expatriates' employment, and political conditions on the Najran border.

Financial Risks

The Company's principal financial liabilities comprise loans and borrowings, lease liabilities, and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support them. The Company's principal financial assets include trade and other receivables and cash and cash equivalents.

The Company's activities expose it to a variety of financial risks: market risk (including commission rate risks, currency risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Company's financial performance.

Market Risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market profit rates or the market prices of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Commission Rate Risk

Commission rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing commission rates on the Company's financial position and cash flows. The Company's commission rate risks arise mainly from its loans and borrowings, which are at a floating rate of commission and are subject to re-pricing on a regular basis. The Company monitors the fluctuations in commission rate.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's principal transactions are carried out in Saudi Riyal and United States Dollars.

Management believes that there is minimal risk of significant losses due to exchange rate fluctuations as the majority of the monetary assets and liabilities are in Saudi Riyals or currencies which are pegged to the Saudi Riyal and consequently the Company is not exposed to foreign currency exposure.

Commodity Price Risk

The Company is exposed to the risk of fluctuations in prevailing market commodity prices on the mix of mineral products it produces, which are mainly copper, zinc, silver and gold which it sells into global markets. The market prices of copper, zinc, silver and gold are the key drivers of the Company's capacity to generate cash flow. The Company is predominantly an unhedged producer to provide its shareholders with exposure to changes in the market price of copper, zinc, silver and gold. The analysis is based on the assumption that the copper, zinc, silver and gold prices move 10% with all other variables held constant.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, foreign exchange transactions and other financial instruments.

Trade Receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Outstanding trade receivables are regularly monitored, and any credit concerns highlighted to senior management. The Company currently has only one major customer, which accounts for sales of approximately SAR 445.4 million for the year ended 31 December 2021 (2020: SAR 326.6 million). Trade accounts receivable are shown net of impairment based on an expected credit loss model as required by IFRS 9.

An impairment analysis is performed at reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity if the cost of such activity is expected to be higher than the benefit of doing so. The Company does not hold collateral as security. The letters of credit and other forms of security, if any, are considered an integral part of trade receivables and considered in the calculation of impairment.

Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. Investments of surplus funds are made only with commercial banks with sound credit ratings. The Company's maximum exposure to credit risk for the cash and cash equivalents, trade and other receivables as at 31 December 2021 and 2020 is equal to the respective carrying amounts.

Liquidity Risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments. For instance, concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowings or reliance on a particular market in which to realize liquid assets. AMAK regularly conducts a contractual undiscounted maturity analysis of the financial liabilities of the Company. The Company does not hold financial assets for managing liquidity risk. Hence, these risks have not been considered for maturity analysis.

INVESTOR RELATIONS

INVESTOR RELATIONS

AMAK has always valued the relationship between our company and our investors. Our investors are the lifeblood of the company, providing capital that allows us to expand and develop our mining operations, to explore new potential deposits and to continually maintain the complex machinery which we use to extract minerals and precious metals.

Our investors became even more numerous and diverse in March 2022, following our successful listing on the Saudi Stock Exchange (Tadawul). We were delighted with the response to the Initial Public Offering (IPO), seeing strong demand from institutional investors and a flood of orders worth SAR 91.8 billion. The offering was oversubscribed by more than 73 times, and it was extremely gratifying to see such interest in AMAK. We believe this reflects the great strengths of the company, its prospects for the future and our approach to fostering a strong relationship between us and our investors.

Like any relationship, AMAK's commitment to our investors deserves constant, full-time attention. Our Investor Relations Department provides a dedicated and continual link between the company and the people and institutions that make what we do possible. It is authorized to manage all communications between the Competition and Markets Authority (CMA) and the Tadawul.

The Investors Relations Department is focused entirely on developing and improving relations between our shareholders and AMAK. Investor Relations follows up on the distribution of profits from the shares to be distributed, as well as managing, organizing and keeping shareholders' records and receiving and responding to all their inquiries.

If you are a current investor or you're interested in investing in AMAK on its journey towards becoming the leading listed mining company in Saudi Arabia, then don't hesitate to contact our Investor Relations Department and they will be happy to assist you with any enquiries.

Investor Relations contact information:

- Phone: 0122162699
- Email: ir@amak.com.sa

TERMS AND DEFINITIONS

TERMS AND DEFINITIONS

Term	Definition
Mineral Resource	A Mineral Resource is a concentration or occurrence of material of economic interest in or on the Earth's crust in such form, grade, quality, and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, continuity, and other geological characteristics of a Mineral Resource are known, estimated, or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided in order of increasing geological confidence into Inferred, Indicated and Measured categories.
Inferred Mineral Resource	An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated from limited geological evidence and sampling. Geological evidence is sufficient to imply, but not verify, geological and grade continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings, and drill holes. An Inferred Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that most of an Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.
Indicated Mineral Resource	An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling, and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade/quality continuity between points where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve.
Measured Mineral Resource	A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling, and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes and is sufficient to confirm geological and grade/quality continuity between points where data and samples are gathered. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve.

Modifying Factors	Modifying Factors are considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing metallurgical, infrastructure, economic, marketing, legal, environmental, social, and governmental factors.
Ore Reserve	An Ore Reserve is the economically mineable part of a Measured or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level, which Include the application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The key underlying assumptions and outcomes of the prefeasibility study or feasibility study must be disclosed at the time of reporting of a new or materially changed Ore Reserve. Ore Reserves are sub-divided in order of increasing confidence into Probable and Proved classifications.
Probable Ore Reserve	A Probable Ore Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the modifying factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve. A Probable Ore Reserve has a lower level of confidence than a Proved Ore Reserve but is of sufficient quality to serve as the basis for a decision on the development of the deposit.
Proved Ore Reserve	A Proved Ore Reserve is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors. A Proved Ore Reserve represents the highest confidence category of an Ore Reserve estimate. The style of mineralisation or other factors could mean that Proved Ore Reserves are not achievable in some deposits.
Reserve Life	Reserve life is the remaining years of mining and processing according to the life of mine plan in the Ore Reserve report.
Grade	Grade is the estimate of the quantity, percentage or quality of a metal or mineral contained within a mineral deposit.
Cutoff grade	Cut-off grade is the grade above or below which the Mineral Resource or Ore Reserve is economic.
Metal Equivalent	Metal Equivalent is mineralisation that is comprised of several metals of economic value is converted to a single metal. Copper Equivalent was used as a metal equivalent in the Al Masane mine.
Mining Depletion	Mining depletion is the reduction in the Ore Reserve or Mineral Resource due to annual mine production estimated from mine survey and production reconciliation.
Reasonable Prospects for Eventual Economic Extraction (RPEE)	The term 'reasonable prospects for eventual economic extraction' implies the Competent Person [judges] the technical and economic factors likely to influence the prospect of economic extraction, including the approximate mining parameters.

Mineable Shape Optimiser (MSO)	Mineable Shape Optimiser (MSO) is a strategic mine planning tool that automates the design of stope shapes for a range of stoping methods for underground mines.
Effective Date	The effective date of the Mineral Resources and Mineral Reserves estimate is the date when these estimates are current.
New Data	New data are new data from drilling, sampling, chemical analysis, geotechnical, metallurgical, or technical studies.
Cost Factors	Cost factors are the operating, capital, processing, and transport costs used to estimate the economics of extraction of the Mineral Resource and economic mineability of the Ore Reserve.
Estimation methodology	Estimation methodology is method which is used by the Competent Person to estimate the tonnes, grade, quality or confidence level of the estimates to classify the Mineral Resource or Ore Reserve.
Life of Mine Plan	The Life of Mine Plan is the approved long-term plan for the design, development, ore extraction and processing of a mine in an Ore Reserve report by a Competent Person.
Revenue Factors	Revenue factors are changes in the sale prices of the mineral commodity and foreign currency exchange rates used to convert the international market price to the local currency.
Stockpiles	Stockpile changes are annual changes in the tonnage and grade or classification of the Mineral Resource or Ore Reserve classification of ore in temporary storage after mining but before processing.
Green Field Projects	Projects for which no previous exploration work has been conducted.
Brown Field Projects	It is often located near the mine sites and the opportunity to find ore or another mine is high, and the demand for brown field projects is high.

FINANCIAL STATEMENTS

AL MASANE AL KOBRA MINING COMPANY
(A SAUDI JOINT STOCK COMPANY)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

31 DECEMBER 2022

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AL MASANE AL KOBRA MINING COMPANY
(A SAUDI JOINT STOCK COMPANY)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Al Masane Al Kobra Mining Company (A Saudi Joint Stock Company) (the "Company"), which comprise the statement of financial position as at 31 December 2022, and the 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 to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. 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 International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with this Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AL MASANE AL KOBRA MINING COMPANY
(A SAUDI JOINT STOCK COMPANY)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key audit matters	How our audit addressed the key audit matters
Revenue recognition The Company's revenue from sales of metals (copper, zinc, gold & silver) during the year was amounting SR 583 million. Individual sales transactions represent significant amounts. The Company's sales are initially recorded on provisional prices which are subject to change. Final prices are determined on the basis of specified future time period after shipment, based on average or ruling market prices in accordance with the terms of contractual arrangement. We determined this to be a key audit matter since determination of future average or ruling market price, at the reporting date, involve significant judgment and estimation by the Company's management. ***Refer to note 4.17 to the financial statements for the significant accounting policy, note 3.1.5 for the critical accounting judgements, estimates and assumptions and note 22 which details the disclosure of revenue.***	Our audit procedures included, among others, the following procedures: (i) Assessed the Company's accounting policy for revenue recognition for compliance with IFRS. (ii) Evaluated the Company's controls for recognizing revenues at appropriate prices and in the correct accounting period. (iii) Assessed the reasonableness for management estimation of the provisional pricing. (iv) On a sample basis, tested sales transactions against sales contracts, invoices and shipping documents to assess that revenues have been recognized at appropriate prices and in the correct accounting period. Further, we tested the final adjustments of the customers to the provisional invoices. (v) Ensured that adequate disclosure has been made in the financial statements.
Depreciation/amortisation of mine properties and property, plant and equipment The carrying value of mine properties and property, plant and equipment amounted to SR 341 million and SR 396 million as at 31 December 2022; which represents 47.6% of the total assets. The Company applies straight line depreciation/amortisation policy for mine properties over the useful life of mines and a unit of production depreciation policy for majority of property, plant and equipment. The management uses expert for the determination of the useful life of mines and the estimation of mineral reserve quantities which requires significant judgment and estimation. We determined this to be a key audit matter since the mineral reserves impact management's estimate of useful life and depreciation rate of mine properties and property, plant and equipment. ***Refer to note 4.5 to the financial statements for the significant accounting policy, note 3.2.1 for the critical accounting judgements, estimates and assumptions and note 7 & 8 which details the disclosure of mine properties and property, plant and equipment respectively.***	Our audit procedures included, among others, the following procedures: (i) Evaluated the competence, capabilities and objectivity of the management's expert based on their professional qualifications and experience and assessed their independence. (ii) Reviewed the report of the management expert to understand the changes in reserves estimates during the year. (iii) On sample basis, tested that the updated reserves quantity has been appropriately applied to the calculation of depreciation/amortisation. (iv) Evaluated the management's assessment of useful lives of mine properties and property, plant and equipment considering change in reserve quantities. (v) Assessed the adequacy and appropriateness of the related disclosures in the accompanying financial statements.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AL MASANE AL KOBRA MINING COMPANY
(A SAUDI JOINT STOCK COMPANY)

Report on the Audit of the Financial Statements (continued)

Other information included in The Company's 2022 Annual Report

Other information consists of the information included in the Company's 2022 annual report, other than the financial statements and our auditor's report thereon. The Board of Directors is responsible for the other information in its annual report. The Company's 2022 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, 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.

When we read the Company's 2022 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Board of Directors and Those Charged with Governance for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the provisions of Companies' Law and Company's By-laws, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are 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 on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 these financial statements.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AL MASANE AL KOBRA MINING COMPANY
(A SAUDI JOINT STOCK COMPANY) (continued)

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit, in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for Ernst & Young Professional Services

Abdullah Ali AlMakrami
Certified Public Accountant
License No. (476)

Jeddah: 22 Sha'ban 1444H
14 March 2023G

STATEMENT OF FINANCIAL POSITION
As at 31 December 2022
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	2022	2021
ASSETS			
NON-CURRENT ASSETS			
Mine properties	7	340,880,660	276,927,421
Property, plant and equipment	8	395,950,754	426,891,258
Right-of-use assets	9	8,550,573	7,869,659
Long term deposits		76,755	675,039
Deferred tax	20	29,159,977	31,673,767
TOTAL NON-CURRENT ASSETS		774,618,719	744,037,144
CURRENT ASSETS			
Inventories	10	82,876,916	71,349,271
Trade and other receivables	11	162,369,248	182,649,939
Advances and prepayments	12	146,613,755	39,505,206
Cash and cash equivalents	13	381,391,908	74,719,638
TOTAL CURRENT ASSETS		773,251,827	368,224,054
TOTAL ASSETS		1,547,870,546	1,112,261,198
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14.1	660,000,000	563,288,650
Share premium	14.4	508,589,751	-
Statutory reserve	14.2	32,359,592	19,726,477
Retained earnings		35,269,168	84,862,352
Treasury shares	14.1	(16,021,322)	(19,441,401)
TOTAL EQUITY		1,220,197,189	648,436,078
NON-CURRENT LIABILITIES			
Loans and borrowings	15	104,972,205	220,464,415
Lease liabilities	9	2,091,622	974,478
Provision for mine closure cost	16	30,480,022	34,448,813
Employee benefits	17	10,988,909	9,399,663
TOTAL NON-CURRENT LIABILITIES		148,532,758	265,287,369
CURRENT LIABILITIES			
Loans and borrowings – current portion	15	102,648,000	108,666,668
Lease liabilities – current portion	9	955,108	2,555,292
Trade payables	18	26,957,734	18,052,017
Accruals and other non-financial liabilities	19	28,808,071	33,924,638
Provision for zakat and income tax	20	14,227,606	15,138,515
Provision for severance fees	21	5,544,080	20,200,621
TOTAL CURRENT LIABILITIES		179,140,599	198,537,751
TOTAL LIABILITIES		327,673,357	463,825,120
TOTAL EQUITY AND LIABILITIES		1,547,870,546	1,112,261,198

Finance Director | Chief Executive Officer | Chairman of the Board

The attached notes from 1 to 35 form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2022
(All amounts in Saudi Riyals unless otherwise stated)

	Note	2022	2021
Revenue, net	22	582,768,703	586,653,318
Direct costs		(374,408,470)	(318,955,821)
GROSS PROFIT		208,360,233	267,697,497
Selling and marketing expenses	23	(24,824,990)	(28,641,496)
General and administrative expenses	24	(39,588,532)	(22,441,585)
OPERATING PROFIT		143,946,711	216,614,416
Finance costs	25	(12,042,497)	(13,546,970)
Other income		10,705,361	65,093
PROFIT BEFORE ZAKAT AND INCOME TAX		142,609,575	203,132,539
Zakat expense	20	(11,381,929)	(8,844,831)
Income tax (expense)/credit, net	20	(4,896,500)	2,977,061
NET PROFIT FOR THE YEAR		126,331,146	197,264,769
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to statement of profit or loss in subsequent periods:			
Re-measurement gain/(loss) on defined benefit plans	17	1,382,493	(860,719)
Deferred tax relating to actuarial gain/(loss)	20	(87,271)	45,980
		1,295,222	(814,739)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		127,626,368	196,450,030
EARNINGS PER SHARE:			
Basic earnings and diluted earnings per share attributable to ordinary equity holders of the Company	26	2.02	3.60

Finance Director | Chief Executive Officer | Chairman of the Board

The attached notes from 1 to 35 form an integral part of these financial statements.

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022
(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	*Share premium*	*Statutory reserve*	*Share-based compensation reserve*	*Retained earnings / (accumulated losses)*	*Treasury shares*	*Total*
Balance as at 1 January 2021	820,000,000	-	4,427,449	-	(240,632,501)	(131,808,900)	451,986,048
Reduction of share capital (note 14.1 (c))	(353,000,000)	-	-	-	240,632,501	112,367,499	-
Net profit for the year	-	-	-	-	197,264,769	-	197,264,769
Other comprehensive income for the year	-	-	-	-	(814,739)	-	(814,739)
Total comprehensive income for the year	-	-	-	-	196,450,030	-	196,450,030
Increase in share capital (note 14.1 (d))	96,288,650	-	(4,427,449)	-	(91,861,201)	-	-
Transfer to statutory reserve (note 14.2)	-	-	19,726,477	-	(19,726,477)	-	-
Balance as at 31 December 2021	**563,288,650**	-	**19,726,477**	-	**84,862,352**	**(19,441,401)**	**648,436,078**
Net profit for the year	-	-	-	-	**126,331,146**	-	**126,331,146**
Other comprehensive income for the year	-	-	-	-	**1,295,222**	-	**1,295,222**
Total comprehensive income for the year	-	-	-	-	**127,626,368**	-	**127,626,368**
Increase in share capital (note 14.1 (d))	**96,711,350**	**512,570,155**	-	-	-	-	**609,281,505**
Transaction costs (note 14.1 (d))	-	**(3,980,404)**	-	-	-	-	**(3,980,404)**
Current period charge (note 14.6)	-	-	-	**6,730,631**	-	-	**6,730,631**
Treasury shares issued to employees (note 14.6)	-	-	-	**(6,730,631)**	**3,310,552**	**3,420,079**	-
Dividend (note 14.3)	-	-	-	-	**(167,896,989)**	-	**(167,896,989)**
Transfer to statutory reserve (note 14.2)	-	-	**12,633,115**	-	**(12,633,115)**	-	-
Balance as at 31 December 2022	**660,000,000**	**508,589,751**	**32,359,592**	-	**35,269,168**	**(16,021,322)**	**1,220,197,189**

Finance Director

Chief Executive Officer

Chairman of the Board

The attached notes from 1 to 35 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

(All amounts in Saudi Riyals unless otherwise stated)

	Note	*2022*	*2021*
OPERATING ACTIVITIES			
Profit before zakat and income tax		**142,609,575**	203,132,539
Adjustment to reconcile profit before zakat and income tax to net cash inflow from operating activities:			
Depreciation, depletion and amortisation	7&8	**107,498,086**	91,551,919
Amortisation of right-of-use assets	9	**1,939,183**	1,659,621
Provision for employee benefits	17	**4,009,515**	2,586,297
Provision for severance fees	21	**24,188,950**	20,200,621
Finance income on short term deposits		**1,054,103**	-
Share-based compensation expense		**6,730,631**	-
Finance costs		**12,042,497**	13,546,970
		300,072,540	332,677,967
Working capital adjustments:			
Long term deposits		**598,284**	(479,568)
Inventories		**(11,527,645)**	(8,411,382)
Trade and other receivables		**19,226,588**	(99,716,859)
Advances and prepayments		**(107,108,549)**	(17,639,480)
Trade payables		**8,905,717**	1,497,991
Accruals and other non-financial liabilities		**(5,116,567)**	7,809,252
Cash from operations		**205,050,368**	215,737,921
Zakat paid	20	**(4,175,418)**	(2,307,918)
Income tax paid	20	**(10,587,401)**	(12,619,746)
Severance fee paid	21	**(38,845,491)**	(8,756,154)
Employee benefits paid	17	**(1,037,776)**	(949,944)
Finance costs paid		**(10,504,906)**	(12,602,983)
Net cash flows from operating activities		**139,899,376**	178,501,176
INVESTING ACTIVITIES			
Additions in property, plant and equipment	8	**(24,722,332)**	(20,655,345)
Additions in mine properties	7	**(121,294,871)**	(51,420,933)
Net cash used in investing activities		**(146,017,203)**	(72,076,278)
FINANCING ACTIVITIES			
Issuance of share capital		**96,711,350**	-
Increase in share premium, net of transaction cost		**508,589,751**	-
Dividend paid		**(167,896,989)**	-
Proceeds from loans and borrowings		-	17,360,000
Payment of principal portion of loans and borrowings		**(121,510,878)**	(81,346,788)
Payment of principal portion of lease liabilities	9	**(3,103,137)**	(2,888,090)
Net cash from/(used in) financing activities		**312,790,097**	(66,874,878)
INCREASE IN CASH AND CASH EQUIVALENTS		**306,672,270**	39,550,020
Cash and cash equivalents at the beginning of the year		**74,719,638**	35,169,618
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**381,391,908**	74,719,638
SUPPLEMENTARY NON-CASH INFORMATION			
Additions in right-of-use assets and lease liabilities	9	**2,620,097**	362,550
Reduction of share capital	14.1(c)	-	353,000,000
Increase in share capital	14.1(d)	-	96,288,650
Adjustments/additions in deferred mine closure cost	7	**(5,028,254)**	3,492,524
Provision for mine closure cost	16	**1,545,124**	943,987

Finance Director	Chief Executive Officer	Chairman of the Board

The attached notes from 1 to 35 form an integral part of these financial statements.

1. COMPANY INFORMATION

Al Masane Al Kobra Mining Company ("the Company" or "AMAK") is a Saudi Joint Stock Company approved by the Ministry of Commerce and Investment Decree Number 247/Q dated 9 Shawwal 1428H (corresponding to 21 October 2007) and registered in Jeddah under Commercial Registration No. 4030175345 on 7 Muharram 1429H (corresponding to 16 January 2008). During 2015, the registered office of the Company was relocated from Jeddah to Najran. Accordingly, Najran Commercial Registration No. 5950017523 dated 3 Duh Al-Qi'dah 1431H (corresponding to 11 October 2010) was modified to be main Commercial Registration. During 2021, the Company obtained commercial registration number 5950123986 dated 22 Dhu Al-Hijjah 1442H (corresponding to 1 August 2021) of a new branch in Najran.

The registered office is located at P.O. Box 96, Najran, Kingdom of Saudi Arabia. The Company is engaged in mining of non-ferrous metal ores (aluminium, copper and lead), mining of ores of precious metals belonging to gold, silver and platinum group, and wholesaling precious metals and gemstones.

The Company commenced its commercial production on 1 July 2012. The principal activity of the Company is to produce zinc and copper concentrates and silver and gold dore as per the license Number 86/Q dated 13 Ramadhan 1429H (corresponding to 13 September 2008) issued by Ministry of Industry and Mineral Resources and expiring on 29 Duh Al-Qi'dah 1443H (corresponding to 28 June 2022). The Company renewed the license for further thirty years with license number 142941, starting from 30 June 2022 (corresponding to 1 Dhu Al-Hijjah 1443H).

In addition, the Company obtained the license number 9598/Q dated 24 Duh Al-Qi'dah 1436H (corresponding to 8 September 2015) for twenty years and expiring on 23 Duh Al-Qi'dah 1456H (corresponding to 2 February 2035) from the Ministry of Industry and Mineral Resources for the exploitation of gold and silver dores from accompanying site Mount Guyan Surface.

During 2021, the Company commenced the process for Initial Public Offering ("IPO"). The Capital Market Authority ("CMA") Board issued its resolution approving the Company's application for the offering of 19.8 million shares representing thirty percent of the Company's share capital on 22 December 2021 (corresponding to 18 Jumada Al-Ula 1443H). As at 29 March 2022 (corresponding to 26 Sha'ban 1443H), the Company's shares became listed on the Saudi Stock Exchange (Tadawul) in the Kingdom of Saudi Arabia. The Company's status changed from "A Saudi Closed Joint Stock Company" to "A Saudi Joint Stock Company" and the legal formalities in this regard have been completed.

As at the reporting date, the Company has two mines namely Al Masane underground mine and Mount Guyan mine. The Company is expanding its current activity by further developing the Moyeath orebody development project for the purpose of increasing the productive capacity of Al Masane underground mine.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") that are endorsed in Kingdom of Saudi Arabia ("KSA") and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRSs endorsed in KSA").

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis, except for employee benefit obligation which is recognized at the present value of future obligations using the projected unit credit method. Further, the financial statements are prepared using the accrual basis of accounting and going concern concept.

2.3 Functional and presentation currency

These financial statements are presented in Saudi Riyals (SR), which is also the Company's functional and presentation currency.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Sensitivity analyses disclosure (notes 17 & 30)
- Financial instruments risk management (note 30)
- Capital management (note 31)

3. Significant accounting judgements, estimates and assumptions (continued)

3.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

3.1.1 Exploration and evaluation expenditure

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

In addition to applying judgement to determine whether future economic benefits are likely to arise from the Company's exploration and evaluation assets or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company has applied a number of estimates and assumptions.

3.1.2 Production start date

The Company assesses the stage of each mine under development/construction to determine when a mine moves into the production phase, i.e. when the mine is substantially complete and ready for its intended use. The criteria used to assess the start date are determined based on the unique nature of each mine development/construction project, such as the complexity of the project and its location.

The Company considers various relevant criteria to assess when the production phase is considered to have commenced. At this point, all related amounts are reclassified from 'Exploration and Evaluation Assets' to 'Mine properties' or 'Property, plant and equipment'. Some of the criteria used to identify the production start date include, but are not limited to:

- Level of capital expenditure incurred compared with the original construction cost estimate
- Completion of a reasonable period of testing of the mine plant and equipment
- Ability to produce metal in saleable form (within specifications)
- Ability to sustain ongoing production of metal

When a mine under development/construction moves into the production phase, the capitalisation of certain mine development costs ceases and costs are either regarded as forming part of the cost of inventory or expensed, except for costs that qualify for capitalisation relating to mining asset additions, improvements, underground mine development or mineable reserve development or stripping costs (waste removal). It is also at this point that depreciation/amortisation commences.

3.1.3 Stripping cost/underground mine development asset

Significant judgement is required to distinguish between development stripping and production stripping and to distinguish between the production stripping that relates to the extraction of inventory and that which relates to the creation of a stripping activity asset / underground development asset.

Once the Company has identified its production stripping for each surface mining operation, it identifies the separate components of the ore bodies for each of its mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Significant judgement is required to identify and define these components, and also to determine the expected volumes (e.g., in tonnes) of waste to be stripped and ore to be mined in each of these components. These assessments are undertaken for each individual mining operation based on the information available in the mine plan. The mine plans and, therefore, the identification of components, will vary between mines for a number of reasons. These include, but are not limited to, the type of commodity, the geological characteristics of the ore body, the geographical location and/or financial considerations.

Judgement is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each component. The Company considers that the ratio of the expected volume (e.g., in tonnes) of waste to be stripped for an expected volume (e.g., in tonnes) of ore to be mined for a specific component of the ore body, is the most suitable production measure.

3. Significant accounting judgements, estimates and assumptions (continued)

3.1 Judgements (continued)

3.1.4 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which these can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

3.1.5 Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Identification of the enforceable contract

For most copper and zinc concentrate (metal in concentrate) sales, while there are master services agreements with key customers that set out the general terms and conditions governing any sales that occur, they do not contain any minimum volumes, i.e., the customer is not required to buy any concentrate.

Also, there are no terms which link separate purchase contracts. For example, there are no rebates or discounts provided if a customer buys more than a specified amount each year, and there are no penalties that impact overall sales during a year (unless mutually agreed). Therefore, for these arrangements, the enforceable contract has been determined to be a purchase agreement.

Application of the variable consideration constraint

For the Company's contracts that are subject to market-based prices, i.e., there is variable consideration, the Company has assessed that at contract inception, this variable consideration will generally be significantly constrained. This is on the basis that the ultimate price they will receive will depend on a range of factors that are highly susceptible to factors outside the Company's influence and include:

- Actions of third parties: the exact date that each shipment occurs (this is relevant because this is the date the market price is determined, or for provisionally priced sales, the date from which the QP commences)
- Volatile commodity market: the price to be received in the future is then based on market-based prices for highly liquid commodities

The Company's estimates of variable consideration and any disclosures provided in relation to the allocation of that variable consideration to unsatisfied performance obligations, are immaterial.

3.1.6 Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The renewal periods for leases of buildings and heavy equipment (i.e., 10 years and 3 years) are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

3. Significant accounting judgements, estimates and assumptions (continued)

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Information about the assumptions and estimation uncertainties is included in the following areas:

3.2.1 Ore reserves and mineral resource estimates

Ore reserves and mineral resource estimates are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. Such reserves and mineral resource estimates and changes to these may impact the Company's reported financial position and results, in the following way:

- The carrying value of exploration and evaluation assets, mine properties, property and plant and equipment, may be affected due to changes in estimated future cash flows.
- Depreciation and amortisation charges in the statement of profit or loss and other comprehensive income may change where such charges are determined using the UOP method, or where the useful life of the related assets change.
- Provisions for rehabilitation and environmental provisions may change where reserve estimate changes affect expectations about when such activities will occur and the associated cost of these activities.
- The recognition and carrying value of deferred income tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets.

The Company estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body.

The Company estimates and reports ore reserves and mineral resources in line with the principles contained in the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, which is prepared by the Australasian Joint Ore Reserves Committee (JORC) of the Australasian Institute of Mining and Metallurgy, known as the "JORC Code". The JORC Code requires the use of reasonable investment assumptions, including:

- Future production estimates, which include proved and probable reserves, resource estimates and committed expansions
- Expected future commodity prices, based on current market prices, forward prices and the Company's assessment of the long-term average price
- Future cash costs of production, capital expenditure and rehabilitation obligations

Consequently, management will form a view of forecast sales prices based on current and long-term historical average price trends. For example, if current prices remain above long-term historical averages for an extended period of time, management may assume that lower prices will prevail in the future. As a result, those lower prices would be used to estimate ore reserves and mineral resources under the JORC Code. Lower price assumptions generally result in lower estimates of reserves.

As the economic assumptions used may change and as additional geological information is produced during the operation of a mine, estimates of ore reserves and mineral resources may change.

3.2.2 Useful lives of buildings and motor vehicles

The Company's management determines the estimated useful lives of buildings and motor vehicles for calculating depreciation. These estimates are determined after considering the expected usage of the assets or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charges are adjusted where the management believes the useful lives differ from previous estimates.

3. Significant accounting judgements, estimates and assumptions (continued)

3.2 Estimates and assumptions (continued)

3.2.3 Useful lives of property, plant and equipment and mine properties and Unit-of-Production (UOP) depreciation

Estimated economically recoverable reserves are used in determining the depreciation and/or amortisation of property, plant and equipment and mine properties, except for the buildings and motor vehicles. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life-of-mine production. The life of each item, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation/amortisation could be impacted to the extent that actual production in the future is different from current forecast production based on economically recoverable reserves, or if future capital expenditure estimates change. Changes to economically recoverable reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- The effect on economically recoverable reserves of differences between actual commodity prices and commodity price assumptions
- Unforeseen operational issues

Changes in estimates are accounted for prospectively.

3.2.4 Mine closure cost and environment obligation

The mining and exploration activities are subject to various environmental laws and regulations. The estimates environmental obligations based on management's understanding of the current legal requirements in the various jurisdictions in which it operates, terms of the license agreements and engineering estimates. Provision is made, for mine closure costs as soon as the obligation arises. The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates (2022: 5.34% and 2021: 2.82%). These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial result. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

3.2.5 Inventories

Net realisable value tests are performed at each reporting date and represent the estimated future sales price of the product the entity expects to realise when the product is processed and sold, less estimated costs to complete production and bring the product to sale.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces is based on assay data, and the estimated recovery percentage is based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

3.2.6 Exploration and evaluation expenditure

The application of the Company's accounting policy for exploration and evaluation ("E&E") expenditure requires judgement to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. In addition to applying judgement to determine whether future economic benefits are likely to arise from the Company's E&E assets or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company has to apply a number of estimates and assumptions. The determination of a JORC resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e., measured, indicated or inferred). The estimates directly impact when the Company defers E&E expenditure. The deferral policy requires management to make certain estimates and assumptions about future events and circumstances, particularly, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the relevant capitalised amount is written off to the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

3. Significant accounting judgements, estimates and assumptions (continued)

3.2 Estimates and assumptions (continued)

3.2.7 Leases - Estimating the incremental borrowing rate
The Company uses its incremental borrowing rate (IBR) except where interest rate implicit in lease is available to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

3.2.8 Defined benefit plan
The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and employee turnover rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the market yield on high quality corporate/government bonds. The mortality rate is based on publicly available mortality tables for the country. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country. Further details about employee benefits obligations are provided in note 17.

3.2.9 Share-based compensation
In determining the fair value of an equity-settled award, an appropriate valuation method is applied. Service and non-market performance conditions are not taken into account in determining the fair value of the award, but during the vesting period the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of awards that are expected to vest. Any market performance conditions and non-vesting conditions are taken into account in determining the award's fair value.

3.2.10 Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the Cash Generating Unit ("CGU") being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

3.2.11 Provisions
Provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.2.12 Going concern
The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently, except as mentioned in note 5, in the preparation of these financial statements:

4.1 Foreign currencies
Transactions in foreign currencies are initially recorded by the Company in its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised as profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

4.2 Current versus non-current classification
The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

Assets
An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities
A liability is current when it is:

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4.3 Exploration and evaluation assets
Exploration and Evaluation ("E&E") activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

E&E activity includes:

- Researching and analysing historical exploration data
- Gathering exploration data through geophysical studies
- Exploratory drilling and sampling
- Determining and examining the volume and grade of the resource
- Surveying transportation and infrastructure requirements
- Conducting market and finance studies

The Company applies the full-cost method of accounting, applied on an area of interest basis, for E&E costs. Licence costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised over the useful life of mine.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Exploration and evaluation assets (continued)

Once the legal right to explore has been acquired, E&E expenditure is charged to profit or loss as incurred, unless the Company concludes that a future economic benefit is more likely than not to be realised. These costs include directly attributable employee remuneration, materials and fuel used, surveying costs, drilling costs and payments made to contractors.

In evaluating whether the expenditures meet the criteria to be capitalised, several different sources of information are used. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed.

E&E expenditure incurred on licences where a JORC-compliant resource has not yet been established is expensed as incurred until sufficient evaluation has occurred in order to establish a JORC-compliant resource.

Upon the establishment of a JORC-compliant resource (at which point, the Company considers it probable that economic benefits will be realised), the Company capitalises any further evaluation expenditure incurred for the particular licence as E&E assets up to the point when a JORC-compliant reserve is established. Capitalised E&E expenditure is considered to be an intangible asset.

E&E assets acquired in a business combination are initially recognised at fair value, including resources and exploration potential that is considered to represent value beyond proven and probable reserves. Similarly, the costs associated with acquiring an E&E asset (that does not represent a business) are also capitalised. They are subsequently measured at cost less accumulated impairment, if any. Once JORC-compliant reserves are established and development is sanctioned, E&E assets are transferred to 'Mine under construction' which is a sub-category of 'Mine properties'. No amortisation is charged during the E&E phase.

4.4 Mine under construction

Expenditure is transferred from 'Exploration and evaluation assets' to 'Mines under construction' which is a sub-category of 'Mine properties' once the work completed to date supports the future development of the property and such development receives appropriate approvals.

After transfer of the exploration and evaluation assets, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised in 'Mines under construction'. Development expenditure is net of proceeds from the sale of ore extracted during the development phase to the extent that it is considered integral to the development of the mine. Any costs incurred in testing the assets to determine if they are functioning as intended, are capitalised, net of any proceeds received from selling any product produced while testing. Where these proceeds exceed the cost of testing, any excess is recognised in the statement of profit or loss and other comprehensive income. After production starts, all assets included in 'Mines under construction' are then transferred to 'Producing mines' which is also a sub-category of 'Mine properties'.

4.5 Mine properties and property, plant and equipment

Initial recognition

Upon completion of the mine construction phase, the assets are transferred into "Property, plant and equipment" or "Mine properties". Items of property, plant and equipment and producing mine are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and, for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Mine properties also consist of the fair value attributable to mineral reserves and the portion of mineral resources considered to be probable of economic extraction at the time of an acquisition. When a mine construction project moves into the production phase, the capitalisation of certain mine construction costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions, improvements or new developments, underground mine development or mineable reserve development.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Mine properties and property, plant and equipment (continued)

Depreciation / amortisation

Accumulated mine development costs are depreciated/amortised on a UOP basis over the economically recoverable reserves of the mine concerned, except in the case of assets whose useful life is shorter than the life of the mine, in which case, the straight-line method is applied. Economically recoverable reserves include proven and probable reserves.

Depreciation/amortisation is calculated based on the following methods:

Categories	Depreciation / amortisation method
Intangible assets	Straight line - useful life of mine
Mining assets	Straight line - useful life of mine
Underground mine development asset	Straight line - useful life of mine
Buildings	Straight line - shorter of useful life of mine or 30 years
Leasehold improvement	Straight line - shorter of lease term or useful life of mine
Civil works	Unit of production
Plant and machinery	Unit of production
Heavy equipment	Unit of production
Tailing dam	Unit of production
Motor vehicles	Straight line - 4 years

The estimated fair value attributable to the mineral reserves and the portion of mineral resources considered to be probable of economic extraction at the time of the acquisition is amortised on a UOP basis, whereby the denominator is the proven and probable reserves, and for some mines, a portion of mineral resources which are expected to be extracted economically. These other mineral resources may be included in depreciation calculations in limited circumstances and where there is a high degree of confidence in their economic extraction. This would be the case when the other mineral resources do not yet have the status of reserves merely because the necessary detailed evaluation work has not yet been performed and the responsible technical personnel agree that inclusion of a proportion of measured and indicated resources is appropriate based on historic reserve conversion rates.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

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 labor, 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 borrowing costs on qualifying assets.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Assets under construction which are not ready for its intended use are not depreciated.

When a major inspection (turnaround/shutdown, planned or unplanned) is performed, the directly met attributable cost is recognized in the carrying amount of the plant and equipment if the recognition criteria are met. This is recorded as a separate component with a useful life generally equal to the time period up to the next scheduled major inspection (turnaround). If the next turnaround occurs prior to the planned date, any existing book value of the previous turnaround is recognized in the statement of profit or loss immediately.

Capital work-in-progress are carried at cost less any recognized impairment loss. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property, plant and equipment category and is accounted for in accordance with the Company's policies. Capital work in progress are not depreciated.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Mine properties and property, plant and equipment

Change in estimate
Based on an assessment and the recommendation of the management's consultant, the total expected units of production (UOP) have been revised from 1 January 2022 for Al Masane Mine to 8.2 million metric tonnes (1 January 2021: 8.6 million metric tonnes) and for Mount Guyan Mine to 4.1 million metric tonnes (1 January 2021: 2.2 million metric tonnes). Further, the useful life of Mount Guyan mine is estimated to be till 31 December 2030 (2021: 31 December 2026) based on the best estimates. Such change in the UOP and useful life has been applied prospectively from 1 January 2022. The change in UOP and useful life resulted in change in depreciation and amortization charge for the current period by approximately SR 10.1 million. However, impact on future years cannot be calculated due to annual reviews of remaining useful life and reserves.

4.6 Leases

The Company assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company is not a lessor in any transactions, it is only a lessee.

Company as a lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings 10 years; and
- Heavy Equipment 3 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment, refer note 4.10.

Lease liabilities
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The unwinding component of finance cost is included in the statement of profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Leases (continued)

Short-term leases and leases of low-value assets
The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

4.7 Inventories

Concentrates
Concentrates are stated at the lower of cost and net realizable value. Cost is determined on a weighted averages cost basis and includes cost of materials, labor, appropriate proportion of direct overheads and other costs incurred in bringing them to their existing location and condition.

Ore stockpile
Ore stockpile is recognized as inventory when it is extracted from mine, the reliable assessment of mineral content is possible and the cost of production can be reliably measured. Cost of the Ore stockpile includes all the direct and indirect costs in bringing it to the current location and condition. Ore stockpile is valued at lower of cost or net realizable value. Quantities and grades of stockpiles and work-in-process are assessed primarily through surveys and assays.

Tools, spare parts and consumables
Tools, spare parts and consumables are valued at cost less an allowance for obsolete and slow-moving items. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. Any provision for obsolescence is determined by reference to specific items of stock. A regular review is undertaken to determine the extent of any provision for obsolescence.

4.8 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position and statement of cash flows comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

4.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, or fair value through other comprehensive income (OCI) or fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers. Refer to the accounting policy in note 4.17.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Financial instruments (continued)

i) Financial assets (continued)

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)
Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. This category is relevant to the Company. The Company's financial assets at amortised cost includes cash and cash equivalents and other receivables.

Financial assets at fair value through OCI (debt instruments)
For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Currently, the Company does not have any financial assets at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other operating income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Currently, the Company does not have any financial assets designated at fair value through OCI.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Financial instruments (continued)

i) Financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Majority of the Company's sales are provisionally priced, meaning that the final selling price is determined normally 30 to 90 days after the delivery to the customer, based on the quoted market price stipulated in the contract and as a result are susceptible to future commodity price movements. At each reporting date, subsequent to the initial sale, the provisionally priced trade receivables are marked-to market using the relevant forward market prices for the period stipulated in the contract. This exposure to the commodity price causes such trade receivables to fail the solely payment of principal and interest ("SPPI") test. As a result, these receivables are measured at fair value through profit or loss ("FVTPL") from the date of recognition of the corresponding sale, with subsequent marked-to-market adjustments recognized in fair value gains / (losses) on provisionally priced products and the carrying amount of the outstanding trade receivable, if material. Such fair value gains (losses) on provisionally priced products are presented within revenue as movement in provisional revenue.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment
The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Company applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Financial instruments (continued)

i) Financial assets (continued)

Impairment (continued)
However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company 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 Company's historical experience and informed credit assessment including forward-looking information.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Company assesses whether financial assets carried at amortised cost 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.

ii) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, lease liabilities, other liabilities and long-term payables.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortised cost (long term payables and lease liabilities).

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (lease liabilities and long-term payables).
This category is relevant to the Company. After initial recognition, lease liabilities and long-term payables are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses as a result of unwinding of interest cost through EIR amortization process and on de-recognition of financial liabilities are recognized in the statement of profit or loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to lease liabilities and long-term payables (refer to note 9 and note 15).

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Financial instruments (continued)

ii) Financial liabilities

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.10 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets, excluding goodwill, with indefinite useful lives are tested for 52% 63% annually as at 31 December at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Goodwill is tested for impairment annually at year end and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Loan and borrowing

Loan and borrowing are recognized at proceed received, net of transaction cost incurred, if any. After initial recognition, loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Additionally, borrowing costs that are directly attributable to the acquisition, construction of production of qualifying assets capitalized as part of the cost of those assets. Other borrowing cost are charged to the statement of profit or loss.

4.12 Employee benefits

Short-term employee benefits
Short-term employee benefits are expensed as the related services are provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based compensation
The cost of an equity-settled award granted to employees is measured by reference to the fair value of the equity instrument on the date the award is granted. This cost is recognized as an employee benefit expense in the statement of profit or loss with a corresponding increase in equity. The cost of equity-settled award is recognized over the vesting period, which is the period over which the employees render the required service for the award and any non-market performance condition attached to the award is required to be met.

Post-employment benefits
The Company's obligation under employee end of service benefit is accounted for as an unfunded defined benefit plan and is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in OCI. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in employee costs in the statement of profit or loss (Refer to note 17).

Provisions

(a) General
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(b) Rehabilitation provision
Mine rehabilitation costs will be incurred by the Company either while operating, or at the end of the operating life of, the Company's facilities and mine properties. The Company assesses its mine rehabilitation provision at each reporting date. The Company recognises a rehabilitation provision where it has a legal and constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. The nature of these restoration activities includes: dismantling and removing structures; rehabilitating mines and tailings dams; dismantling operating facilities; closing plant and waste sites; and restoring, reclaiming and revegetating affected areas.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Provisions (continued)

(c) Rehabilitation provision (continued)
The obligation generally arises when the asset is installed or the ground/environment is disturbed at the mining operation's location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred as a result of the development/construction of the mine. Any rehabilitation obligations that arise through the production of inventory are recognised as part of the related inventory item. Additional disturbances that arise due to further development/construction at the mine are recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur. Costs related to the restoration of site damage (subsequent to the start of commercial production) that is created on an ongoing basis during production are provided for at their net present values and recognised in profit or loss as extraction progresses.

Changes in the estimated timing of rehabilitation or changes to the estimated future costs are dealt with prospectively by recognising an adjustment to the rehabilitation liability and a corresponding adjustment to the asset to which it relates, if the initial estimate was originally recognised as part of an asset measured in accordance with IAS 16.

Any reduction in the rehabilitation liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the statement of profit or loss and other comprehensive income.

If the change in estimate results in an increase in the rehabilitation liability and, therefore, an addition to the carrying value of the asset, the Company considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment. If, for mature mines, the estimate for the revised mine assets net of rehabilitation provisions exceeds the recoverable value, that portion of the increase is charged directly to expense.

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in the statement of profit or loss and other comprehensive income as part of finance costs. For closed sites, changes to estimated costs are recognised immediately in the statement of profit or loss and other comprehensive income.

The Company recognises neither the deferred tax asset in respect of the temporary difference on the decommissioning liability nor the corresponding deferred tax liability in respect of the temporary difference on a decommissioning asset.

4.14 Severance fees

The Company is subject to severance fees in accordance with the Saudi Mining Investment Code based on the Royal Decree No. 140/M dated 19 Shawwal 1441H (corresponding to 11 June 2020). The Company is required to pay to the Government of Saudi Arabia severance fees, representing equivalent of 20% of hypothetical income in addition to a specified percentage of the net value of the minerals upon extraction effective from 1 January 2021. It superseded the Royal Decree No. 47/M dated 20 Sha'aban 1425H (corresponding to 4 October 2004), which required the Company to pay to the Government of Saudi Arabia severance fee representing 25% of the annual net income per mining license or the equivalent of 20% of hypothetical income, whichever was lower.

The zakat due shall be deducted from this amount. Therefore, the net income for each mining license registered in the name of the Company is subject to severance fees. Severance fees is shown as part of cost of revenue in the statement of profit or loss.

Since the Company is a mix companies with foreign shareholders, only the Saudi shareholders are liable for paying severance fees on their share of the net profit attributable to the particular mining license. The Saudi shareholder can deduct the zakat due by them from their severance fee liability. The foreign shareholders are exempt from paying severance fees on their share of net profit attributable to the particular mining license, however, they pay income tax at a rate of 20%.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Zakat and tax

Zakat
The Company is subject to zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"). Provision for zakat for the Company is charged to the statement of profit or loss.

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid for the current year to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted at the reporting date in the Kingdom of Saudi Arabia. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

Deferred income tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the brought forward unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Zakat and tax (continued)

Withholding tax
The Company withhold taxes on transactions with non-resident parties and on dividends paid to foreign shareholders in accordance with ZATCA regulations, which is not recognized as an expense being the obligation of the counter party on whose behalf the amounts are withheld.

Value Added Tax ("VAT")
Assets and expenses are recognised net of amount of VAT, except when VAT incurred on a purchase of assets or services is not recoverable from the ZATCA, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. The net amount of VAT recoverable from, or payable to, ZATCA is included as part of other receivables or other payables.

4.16 Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

4.17 Revenue

Revenue is recognised when control passes to the customer, which occurs at a point in time when the metal in concentrate is physically transferred onto a vessel or other delivery mechanism. The revenue is measured at the amount to which the Company expects to be entitled, being the estimate of the price expected to be received, i.e., the previous 10 working days London Metal Exchange (LME), and a corresponding trade receivable is recognised. For these provisional pricing arrangements, any future changes that occur over the QP are embedded within the provisionally priced trade receivables and are, therefore, within the scope of IFRS 9 and not within the scope of IFRS 15. Given the exposure to the commodity price, these provisionally priced trade receivables will fail the cash flow characteristics test within IFRS 9 and will be required to be measured at fair value through profit or loss from initial recognition until the date of settlement. These subsequent changes in fair value are recognised on the face of statement of profit or loss and other comprehensive income in each period as part of revenue. Such amounts are then presented separately in the notes from revenue from contracts with customers as part of 'Movement in provisional revenue'. Changes in fair value over, and until the end of, the QP, are estimated by reference to updated forward market prices for copper and zinc as well as taking into account relevant other fair value considerations as set out in IFRS 13, including interest rate and credit risk adjustments. The revenue is established at the time of discharge at the port of destination by reference to open market average metal prices ruling during the contractual quotation period (QP) and independent assays agreed between buyer and seller.

4.18 Expenses

Direct costs
Production costs and direct expenses are classified as direct costs. This includes raw material, direct labor and other attributable overhead costs.

Selling and distribution expenses
These include any costs incurred to carry out or facilitate selling activities of the Company. These costs typically include salaries of the sales staff, marketing, distribution and logistics expenses.

General and administrative expenses
These pertain to operation expenses which are not directly related to the cost of revenue and selling and distribution expenses. These also include allocations of general overheads which are not specifically attributed to direct costs or selling and distribution expenses. Allocation of overheads between direct costs, selling and distribution expenses, and general and administrative expenses, where required, is made on a consistent basis.

5 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

5.1 Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. These amendments had no impact on the financial statements of the Company.

5.2 Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the year.

5.3 Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment.

5.4 IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

5.5 IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement. These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the year.

5 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

5.6 *IAS 41 Agriculture – Taxation in fair value measurements*

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date

6 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the reporting date of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

6.1 IFRS 17 *Insurance Contracts*

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.

6.2 Amendments to IAS 1: *Classification of Liabilities as Current or Non-current*

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The amendments did not have a material impact on the Company as at the date of these financial statements.

6.3 Amendments to IAS 8: Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Company's financial statements.

6 STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

6.4 Amendments to IAS 1 and IFRS Practice Statement 2: *Disclosure of Accounting Policies*

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.
The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

6.5 Amendments to IAS 12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

(All amounts in Saudi Riyals unless otherwise stated)

7 MINE PROPERTIES

		Producing mines				
	Mine under construction	*Intangible assets*	*Mining assets*	*Underground mine development asset*	*Deferred mine closure cost*	*Total*
Cost:						
As at 1 January 2021	157,888,815	258,973,236	129,894,826	276,195,821	25,647,693	**848,600,391**
Additions during the year	21,121,963	-	17,675,361	12,623,609	3,492,524	**54,913,457**
Transfers during the year (note 8)	(169,486,017)	-	44,095,174	-	-	**(125,390,843)**
As at 31 December 2021	9,524,761	258,973,236	191,665,361	288,819,430	29,140,217	**778,123,005**
Additions during the year	76,474,912	-	33,791,891	11,028,068	-	**121,294,871**
Adjustment during the year (note 16)	-	-	-	-	(5,506,382)	**(5,506,382)**
As at 31 December 2022	**85,999,673**	**258,973,236**	**225,457,252**	299,847,498	23,633,835	**893,911,494**
Accumulated depletion and amortization:						
As at 1 January 2021	-	175,748,853	81,571,449	197,304,042	8,150,879	**462,775,223**
Charge for the year	-	9,247,154	17,243,990	9,485,000	2,444,217	**38,420,361**
As at 31 December 2021	-	184,996,007	98,815,439	206,789,042	10,595,096	**501,195,584**
Charge for the year	-	9,247,153	30,038,734	10,966,923	1,582,440	**51,835,250**
As at 31 December 2022	-	194,243,160	128,854,173	217,755,965	12,177,536	**553,030,834**
Net book amounts:						
As at 31 December 2022	**85,999,673**	**64,730,076**	**96,603,079**	**82,091,533**	**11,456,299**	**340,880,660**
As at 31 December 2021	9,524,761	73,977,229	92,849,922	82,030,388	18,545,121	276,927,421

7 MINE PROPERTIES (continued)

7.1 The mine under construction represents Moyeath project.

7.2 Mount Guyan mine has started its commercial production from 1 February 2021 onwards for the extraction of the gold dores and consequently during the year ended 31 December 2022, the related assets of mine under construction have been transferred to the producing mines (as mentioned above) and property, plant and equipment (refer note 8) and accordingly depreciation and amortisation on these assets has commenced. The useful life of the Mount Guyan project is expected up to 2030. The balance of mine under construction as at 31 December 2022 relates to Moyeath project.

7.3 The depletion and amortization charge for the year has been allocated to direct costs.

7.4 The amount of borrowing costs capitalised during the year ended 31 December 2022 was nil (2021: SR 566,996). The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was nil (2021:4.7%), which is the effective interest rate of the specific borrowing.

7.5 Intangible assets represents exploration and evaluation assets (including mining rights originally granted by the Royal Decree Number M/17 effective 1 Dhu Al-Hijjah 1413H (corresponding to 22 May 1993) for a period of thirty years, with a right of renewal for future period of twenty years to Arabian Shield Development Company ("AADC") for the exploitation in Al Masane mine located in Najran, Saudi Arabia, with an area of 44 square kilometers for surface rental of SR 10,000 per square kilometer per year, i.e. SR 440,000 per year.). These exploration and evaluation assets (including mining rights) were purchased by the Company from AADC in August 2009 for a cash consideration of SR 236.25 million. The title of aforementioned rights was transferred to the Company as per the ministry of Petroleum and mineral resources resolution dated 13 Ramadhan 1429H (corresponding to 13 September 2008) and the ministry subsequent letter dated 2 Muharram 1430H (corresponding to 30 December 2008). The Company also incurred further costs of SR 22.7 million subsequent to acquisition of these exploration and evaluation assets. These exploration and evaluation assets were transferred to intangible assets under mine properties after the production started in 2012 and amortized over the useful life of mine. Useful life of mine is determined based on the lower of the term of mining rights or the estimated time to explore and process the estimated ore reserves.

(All amounts in Saudi Riyals unless otherwise stated)

8 PROPERTY, PLANT AND EQUIPMENT

	Buildings	*Leasehold improvement*	*Civil works*	*Plant and machinery*	*Heavy equipment*	*Tailing dam*	*Motor vehicles*	*Capital work in progress*	*Total*
Cost:									
As at 1 January 2021	191,974,662	4,051,062	16,288,221	294,463,540	141,230,040	23,900,160	22,753,563	5,045,626	**699,706,874**
Additions during the year	302,296	442,075	-	1,671,677	17,743,165	-	-	496,132	**20,655,345**
Transfers from mine under construction (note 7)	420,000	1,050,301	4,349,328	116,626,190	1,288,686	1,656,338	-	-	**125,390,843**
As at 31 December 2021	192,696,958	5,543,438	20,637,549	412,761,407	160,261,891	25,556,498	22,753,563	5,541,758	**845,753,062**
Additions during the year	**127,849**	**371,778**	**134,892**	-	**15,256,200**	-	**239,350**	**8,592,263**	**24,722,332**
Transfers	**260,751**	**1,925,000**	-	-	**710,176**	-	-	**(2,895,927)**	-
As at 31 December 2022	**193,085,558**	**7,840,216**	**20,772,441**	**412,761,407**	**176,228,267**	**25,556,498**	**22,992,913**	11,238,094	**870,475,394**
Accumulated depreciation:									
As at 1 January 2021	92,613,197	2,084,178	9,996,316	132,697,835	90,053,608	15,804,373	22,480,739	-	**365,730,246**
Charge for the year	11,122,896	466,111	1,268,500	30,731,103	8,436,504	1,021,629	84,815	-	**53,131,558**
As at 31 December 2021	103,736,093	2,550,289	11,264,816	163,428,938	98,490,112	16,826,002	22,565,554	-	**418,861,804**
Charge for the year	**11,111,224**	**736,057**	**1,232,485**	**28,344,170**	**12,927,295**	**1,194,055**	**117,550**	-	**55,662,836**
As at 31 December 2022	**114,847,317**	**3,286,346**	**12,497,301**	**191,773,108**	**111,417,407**	**18,020,057**	**22,683,104**	-	**474,524,640**
Net book amounts:									
As at 31 December 2022	**78,238,241**	**4,553,870**	**8,275,140**	**220,988,299**	**64,810,860**	**7,536,441**	**309,809**	**11,238,094**	**395,950,754**
As at 31 December 2021	88,960,865	2,993,149	9,372,733	249,332,469	61,771,779	8,730,496	188,009	5,541,758	426,891,258

8 PROPERTY, PLANT AND EQUIPMENT (continued)

8.1 Property, plant and equipment are subject to a pledge as collateral against a long-term loan (note 15).

8.2 Capital work in progress represents construction works and heavy equipment for plant which is expected to be operational in 2023.

8.3 The depreciation charge for the year has been allocated to direct costs.

8.4 The buildings are constructed on the site for the mines which are leased by the Company from the Ministry of Industry and Mineral Resources.

9 LEASES

The Company has lease contracts for leasehold buildings and heavy equipment. Leasehold buildings have lease terms for 2 to 10 years while heavy equipment carries a lease term of 3 years. Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Buildings	*Heavy equipment*	*Total*
As at 1 January 2021	2,377,713	6,789,017	9,166,730
Additions during the year	362,550	-	362,550
Depreciation expense	(1,018,458)	(641,163)	(1,659,621)
As at 31 December 2021	1,721,805	6,147,854	7,869,659
Additions during the year	**2,620,097**	**-**	**2,620,097**
Depreciation expense	**(1,072,055)**	**(867,128)**	**(1,939,183)**
As at 31 December 2022	**3,269,847**	**5,280,726**	**8,550,573**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2022	*2021*
As at the beginning of the year	**3,529,770**	6,055,310
Additions during the year	**2,620,097**	362,550
Accretion of interest during the year	**210,301**	436,395
Payments made during the year	**(3,313,438)**	(3,324,485)
At the end of the year	**3,046,730**	3,529,770
Current	**955,108**	2,555,292
Non-current	**2,091,622**	974,478

The following are the amounts recognised in the statement of profit or loss and other comprehensive income:

	2022	*2021*
Depreciation expense of right-of-use assets	**1,939,183**	1,659,621
Interest expense on lease liabilities	**210,301**	436,395
	2,149,484	2,096,016

The Company had total cash outflows for leases of SR 3,313,438 (2021: SR 3,324,485). The Company also had non-cash additions to right-of-use assets and lease liabilities of SR 2,620,097 (2021: SR 362,550).

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10 INVENTORIES

	2022	*2021*
Concentrates	**15,044,811**	12,864,390
Ore stockpile	**5,127,155**	7,939,118
Consumables	**21,008,872**	14,782,053
Tools and spare parts	**47,308,392**	41,376,024
	88,489,230	76,961,585
Less: Allowance for slow moving inventories (see note below)	**(5,612,314)**	(5,612,314)
	82,876,916	71,349,271

a) Movement in the allowance for slow moving inventories is as follows:

	2022	*2021*
At the beginning of the year	**5,612,314**	5,612,314
Charge for the year	**-**	-
At the end of the year	**5,612,314**	5,612,314

11 TRADE AND OTHER RECEIVABLES

	2022	*2021*
Trade receivables (subject to provisional pricing) – fair value	**156,302,262**	181,905,672
Add: Provisional pricing adjustment at fair value	**5,012,883**	744,267
Net trade accounts receivable	**161,315,145**	182,649,939
Accrued income on deposits	**1,054,103**	-
	162,369,248	182,649,939

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days. See financial instruments risk management (note 30) on credit risk of trade receivables, which explain how the Company manages and measure credit quality of trade receivables.

12 ADVANCES AND PREPAYMENTS

	2022	*2021*
Advances to suppliers	**126,365,214**	21,094,354
Less: Provision for advances to suppliers	**(1,754,885)**	(1,754,885)
Advances to suppliers - net	**124,610,329**	19,339,469
Prepayments	**12,337,615**	13,504,045
Employee receivables	**145,472**	407,425
Value added tax	**9,520,339**	6,254,267
	146,613,755	39,505,206

(All amounts in Saudi Riyals unless otherwise stated)

13 CASH AND CASH EQUIVALENTS

	2022	*2021*
Cash in hand	**76,640**	85,582
Bank balances	**131,315,268**	74,634,056
Short-term deposits	**250,000,000**	-
	381,391,908	74,719,638

Short term deposits carries profit margin ranging from 5.8% to 6.3% with a maturity of less than 3 months at reporting date

14 EQUITY

14.1 Share capital

Share capital of the Company is divided into 66 million shares of SR 10 each as at 31 December 2022 (56.3 million shares of SR 10 each as at 31 December 2021).

(a) The shareholders of the Company, in an extraordinary general meeting held on 23 March 2021 (corresponding to 10 Sha'ban 1442H), resolved to reduce the share capital of the Company from SR 820 million to SR 467 million through absorbing accumulated losses of SR 240,632,501 and reducing treasury stocks by 6,990,526 shares worth of SR 112,367,499. The legal formalities in this regard were completed on 10 May 2021 (corresponding to 28 Ramadhan 1442H).

(b) On 3 October 2021 (corresponding to 26 Safar 1443H), the shareholders of the Company, in an extraordinary general meeting, passed a resolution to increase the Company's share capital from SR 467,000,000 to SR 563,288,650 through the transfer of SR 91,861,201 from the account of retained earnings and SR 4,427,449 from the account of statutory reserve. The legal formalities in this regard were completed on 19 October 2021 (corresponding to 13 Rabi Al-Awwal 1443H).

(c) On 18 November 2021 (corresponding to 13 Rabi Al-Thani 1443H), the shareholders of the Company, in an extraordinary general meeting, passed a resolution to increase the Company's share capital from SR 563,288,650 to SR 660,000,000 as part of the IPO process. The legal formalities in this regard have been completed on 23 March 2022 (corresponding to 20 Sha'ban 1443H). The total proceeds received from the IPO subscription were SR 609,281,505, out of which SR 96,711,350 has been recorded as an increase in share capital and the remaining balance of SR 512,570,155 has been recorded as share premium before deducting transaction cost amounting to SR 3,980,404.

14.2 Statutory reserve

In accordance with the by-laws of the Company, the Company will transfer 10% of its net income for the year to the statutory reserve until it equals to 30% of the share capital. The reserve is not available for distribution.

14.3 Treasury shares

The Company had 1,458,850 treasury shares at the start of the current year. These shares are held by the Company as treasury shares for the purposes of issuing them to the Company's employees upon vesting of the shares in employee share plans, including those that the Company may adopt in the future. The number of treasury shares issued to employees during the year were 256,637 (2021: Nil) (Note 14.6).

14.4 Share premium

During the year, the Board of Directors recommended to the extraordinary general assembly to use the share premium account, which has a balance of SAR 508,589,751 as at 31 December 2022 as follows:

- Increase the Company's share capital from SR 660,000,000 to SR 900,000,000 by granting one bonus share for every 2.75 shares.
- transfer the remaining balance of SR 268,589,751 to the statutory reserve account.

The proposed increase in share capital and the transfer of the remaining balance to the statutory reserve account is subject to the approval by the shareholders at the extraordinary general assembly meeting which is expected in 2023.

14 EQUITY (continued)

14.5 Dividends

On 18 July 2022, the Board of Directors announced the distribution of SR 129,082,300 as cash dividends (SR 2 per share) for the first half of the year 2022 which represents 20% of the nominal value of the shares.

On 13 November 2022, the Board of Directors announced the distribution of SR 38,814,689 as cash dividends (SR 0.6 per share) for the third quarter of the year 2022 which represents 6% of the nominal value of the shares.

14.6 Share-based compensation

Share-based compensation relates to equity-settled grants of ordinary shares granted as per employment contract and equity-settled bonus grants of ordinary shares granted to Company's eligible employees. Awards are equity settled and cannot be settled in cash. The Company recognized the following share-based compensation expense in the statement of profit or loss, as an employee benefit expense during the year:

	2022
Equity settled share-based compensation expense:	
As per employment contract	**1,968,311**
Equity settled share-based employment bonus	**4,762,320**
	6,730,631

Awards for both grants were granted for nil consideration. The fair value of grants was determined by reference to the market value of the Company's ordinary shares on the date of grant for equity-settled awards. The number of awards settled in shares during the year was 196,237 (2021: Nil) in relation to the grants of ordinary shares as per employment contract and 60,400 (2021: Nil) in relation to the bonus grants of ordinary shares to Company's eligible employees.

15 LOANS AND BORROWINGS

	2022	*2021*
Saudi Industrial Development Fund (SIDF) (note 8)	**207,620,205**	295,797,751
Tawarroq	**-**	33,333,332
	207,620,205	329,131,083
Less: Current portion shown under current liabilities	**(102,648,000)**	(108,666,668)
Loans and borrowings under non-current liabilities	**104,972,205**	220,464,415

15.1 The loan is obtained from Saudi Industrial Development Fund (SIDF) agreement dated 1 September 2010 for Al Masane project. This loan is secured by mortgage on the Company's property, plant and equipment and by guarantee of each of the former shareholder of the Company prior to the listing. The loan was repayable in thirteen semi-annual installments in six years. However, subsequently in July 2018, the Company and SIDF reached to an agreement to amend the original loan agreement as per the Company's request to reschedule the payments in eleven semi-annual installments.

In June 2020, the Company and SIDF reached an agreement to again amend the original loan agreement as per the Company's request to reschedule the payments in seven semi-annual installments payable from May 2021 till April 2024.

The Company obtained another loan facility amounting to SR 94.3 million from Saudi Industrial Development Fund (SIDF) agreement dated 28 June 2020 for its new Mount Guyan Project payable in thirteen semi-annual installments starting from May 2022 to March 2028. This loan is also secured by mortgage on the Company's property, plant and equipment and by guarantee of each of the former shareholder of the Company prior to the listing. However, on 4 October 2022, SIDF has released corporate and personal guarantees of former shareholders for both facilities.

15.2 In December 2019, the Company obtained credit facilities/financing loan from one of the local commercial banks amounting to SR 110,518,400 which includes payment guarantees, financing the purchases & selling of commodities (Al Tawarroq). During the year, the Company made an early settlement of the Tawarroq loan.

15.3 Loans and borrowings bear finance charges ranging from 2.7% to 5.3% per annum (2021: 2.7% to 4.7% per annum).

15.4 All loans and borrowings of the Company are shariah compliant.

(All amounts in Saudi Riyals unless otherwise stated)

15 LOANS AND BORROWINGS (continued)

The undiscounted outstanding loans/facilities maturities are as follows:

Year	*2022*	*2021*
2022	-	108,666,668
2023	**101,148,000**	114,166,668
2024	**68,324,000**	66,500,000
2025	**15,000,000**	15,000,000
Thereafter	**28,300,000**	28,300,000
	212,772,000	332,633,336

16 PROVISION FOR MINE CLOSURE COST

	2022	*2021*
At the beginning of the year	**34,448,813**	30,012,302
(Adjustments)/additions for the year	**(5,506,382)**	3,492,524
Unwinding of discount for the year	**1,537,591**	943,987
At the end of the year	**30,480,022**	34,448,813

17 EMPLOYEE BENEFITS

General description of the plan

The Company operates an unfunded employees' end of service benefits plan ("EOSB") for its employees as required by the Saudi Arabian Labor Law. The movement in EOSB for the year ended is as follows:

	2022	*2021*
Balance at the beginning of the year	**9,399,663**	6,902,591
Included in statement of profit or loss		
Current service cost	**3,720,890**	2,412,751
Interest cost	**288,625**	173,546
	4,009,515	2,586,297
Included in statement of other comprehensive income		
Actuarial (gain)/loss	**(1,382,493)**	860,719
Benefits paid	**(1,037,776)**	(949,944)
Balance at the end of the year	**10,988,909**	9,399,663

Actuarial assumptions

The following were the principal actuarial assumptions applied at the reporting date:

	2022	*2021*
Discount rate	**4.20%**	3.25%
Future salary growth / Expected rate of salary increases	**4.20%**	3.00%
Mortality rate	**Age-wise**	Age-wise
Employee turnover / withdrawal rates	**Age and service**	Age and service

The quantitative sensitivity analysis for principal assumptions is as follows:

	2022	*2021*
Discount rate:		
+1% increase	**(651,281)**	(830,082)
-1% decrease	**729,775**	970,335
Salary increase rate:		
+1% increase	**614,644**	865,298
-1% decrease	**(560,741)**	(757,784)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

The weighted average duration of the defined benefit obligation is 6.5 years (2021: 9.5 years).

17 EMPLOYEE BENEFITS (continued)

The following is the breakup of the actuarial (gain) / loss:

	2022	*2021*
Demographic assumptions	**(802,313)**	389,277
Experience adjustments	**(630,151)**	471,442
Change in financial assumptions	**49,971**	-
	(1,382,493)	860,719

The following payments are expected to the defined benefit plan in future years:

	2022	*2021*
Within the next 12 months (next annual reporting period)	**1,661,829**	908,429
Between 1 and 5 years	**4,906,357**	2,550,820
Beyond 5 years	**8,189,196**	9,782,665
Total expected payments	**14,757,382**	13,241,914

18 TRADE PAYABLES

Trade payables are non-interest bearing and are normally settled on 60-day terms. For terms and conditions with related parties, refer to note 28. For explanations on the Company's liquidity risk management processes, refer to note 30.

19 ACCRUALS AND OTHER NON-FINANCIAL LIABILITIES

	2022	*2021*
Accrued expenses	**19,531,740**	22,836,795
Vacation accruals and others	**9,276,331**	8,459,713
Others	-	2,628,130
	28,808,071	33,924,638

20 ZAKAT AND INCOME TAX

20.1 ZAKAT

Charge for the year

	2022	*2021*
Zakat relating to current year	**16,051,342**	12,405,653
Zakat relating to prior years	**(4,669,413)**	(3,560,822)
	11,381,929	8,844,831

The zakat charge is based on the following:

	2022	*2021*
Equity	**1,105,281,591**	804,696,405
Opening provisions and other adjustments	**50,878,520**	31,758,131
Book value of long-term assets (net of related financing)	**(589,712,197)**	(521,596,385)
	566,447,914	314,858,151
Zakatable income for the year	**144,047,531**	171,584,236
Zakat base	**710,495,445**	486,442,387

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20 ZAKAT AND INCOME TAX (continued)

20.1 ZAKAT (continued)

Movement in zakat provision during the year
The movement in the zakat provision for the year is as follows:

	2022	*2021*
Balance at the beginning of the year	**8,844,831**	2,307,918
Net charge for the year	**11,381,929**	8,844,831
Payments during the year	**(4,175,418)**	(2,307,918)
Balance at the end of the year	**16,051,342**	8,844,831

20.2 INCOME TAX

The major components of income tax in the statement of profit or loss can be broken down as follows for the year ended 31 December:

	2022	*2021*
Included in the statement of profit or loss:		
Income tax expense for the year	**2,469,981**	13,803,562
Deferred tax charge/(credit) during the year	**2,426,519**	(16,780,623)
	4,896,500	(2,977,061)
Included in the statement of other comprehensive income:		
Deferred tax relating to actuarial loss	**87,271**	(45,980)

Reconciliation of tax expense and the accounting profit for the year ended:

	2022	*2021*
Profit before zakat and income tax	**142,609,575**	203,132,539
Income tax expense as per tax rate of 20% applicable in KSA	**28,521,915**	40,626,508
Adjustments for amounts which are not deductible/(taxable) in calculating taxable income:		
Saudi shareholding not subject to tax – 85.47% (2021: 72.65%)	**(24,377,681)**	(29,775,168)
Others	**752,266**	(13,828,401)
At the effective income tax rate of 3.43% debit (2021: 1.47% credit)	**4,896,500**	(2,977,061)
Share of Non-Saudi shareholding	**14.53%**	27.35%

	2022	*2021*
Income tax relating to current year	**2,651,641**	9,090,672
Income tax relating to prior year	**(181,660)**	4,712,890
	2,469,981	13,803,562

The movement in the income tax provision during the year is as follows:

	2022	*2021*
At the beginning of the year	**6,293,684**	5,109,868
Provided during the year	**2,469,981**	13,803,562
Paid during the year	**(10,587,401)**	(12,619,746)
At the end of the year	**(1,823,736)**	6,293,684

20 ZAKAT AND INCOME TAX (continued)

20.2 INCOME TAX (continued)
Components of deferred tax are as follows:

	2022	*2021*
Carryforward tax losses	**28,468,630**	29,315,715
Difference in accounting and tax base of property, plant and equipment	**(863,863)**	(1,566,334)
Provisions	**1,235,787**	3,422,256
Employee benefits	**319,423**	502,130
Net deferred tax assets	**29,159,977**	31,673,767

The movement of the deferred tax asset for the year ended 31 December is as follows:

	2022	*2021*
As of 1 January	**31,673,767**	14,847,164
Deferred tax credit during the year recognised in statement of profit or loss	**(2,426,519)**	16,780,623
Deferred tax credit to other comprehensive income	**(87,271)**	45,980
As at 31 December	**29,159,977**	31,673,767

Status of assessments

Zakat and income tax status:
Zakat and income tax assessments have been agreed with the Zakat, Tax and Customs Authority ("ZATCA") up to 2012. The Company submitted the zakat and income tax return for the year 2021 and obtained the zakat certificate which is valid till 30 April 2023. The zakat and tax returns for the years from 2013 to 2021 are currently under review by the ZATCA.

21 PROVISION FOR SEVERANCE FEE

	2022	*2021*
Severance fees relating to current year	**18,206,630**	21,911,194
Severance fees relating to prior year	**5,982,320**	(1,710,573)
	24,188,950	20,200,621

	2022	*2021*
At 1 January	**20,200,621**	8,756,154
Provision during the year	**24,188,950**	20,200,621
Paid during the year	**(38,845,491)**	(8,756,154)
At 31 December	**5,544,080**	20,200,621

Severance fees is shown as part of direct costs in the statement of profit or loss.

22 REVENUE, NET

	2022	2021
Revenue from contracts with customers:		
Copper concentrate	187,036,042	239,844,681
Zinc concentrate	188,072,494	205,655,604
Precious metals	214,969,860	155,295,314
	590,078,396	600,795,599
Movement in provisional pricing adjustments during the year	(7,309,693)	(14,142,281)
	582,768,703	586,653,318

23 SELLING AND DISTRIBUTION EXPENSES

	2022	2021
Transportation	21,370,875	22,257,669
Advertising and promotion	3,454,115	6,383,827
	24,824,990	28,641,496

24 GENERAL AND ADMINISTRATIVE EXPENSES

	2022	2021
Employee costs	14,829,214	12,316,809
Management remuneration and benefits	4,819,650	3,201,912
Professional fees	10,273,233	4,714,326
Computer and office supplies	2,935,804	2,208,538
Share based compensation expense	6,730,631	-
	39,588,532	22,441,585

25 FINANCE COSTS'

	2022	2021
Finance cost on loans and bank charges	10,294,605	12,166,588
Finance cost on lease liabilities	210,301	436,395
Unwinding on mine closure cost	1,537,591	943,987
	12,042,497	13,546,970

26 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. The calculation of diluted earnings per share is not applicable to the Company. Also, no separate earning per share calculation from continuing operations has been presented since there were no discontinued operations during the year.

The earnings per share calculation is given below:

	2022	2021
Net profit for the year	126,331,146	197,264,769
Weighted average number of ordinary shares	62,405,767	54,870,015
Earnings per share – Basic and diluted	2.02	3.60

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27 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief executive officer. An operating segment is group of assets and operations:

(i) engaged in revenue producing activities;
(ii) results of its operations are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment; and
(iii) financial information is separately available.

All of the Company's operations are located in Najran, Saudi Arabia. For management purposes, the Company is organized into business units based on the main types of activities and has two reportable operating segments, as follows:

- Al Masane mine segment represents extraction and production of the base metals i.e. copper and zinc concentrates and byproducts like precious metals i.e. gold and silver dores;
- Mount Guyan mine segment represents extraction and production of the precious metals i.e. gold and silver dores; and
- Corporate is responsible for effective management and governance including funding of the projects. The presentation of Corporate information does not represent an operating segment.

No operating segments have been aggregated to form the above reportable operating segments. The Chief Executive Officer monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment and is considered to be the Company's chief operating decision maker. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements. However, the Company's severance fees, zakat and income taxes are managed on corporate basis and are not allocated to operating segments.

(All amounts in Saudi Riyals unless otherwise stated)

27 SEGMENT REPORTING (continued)

	Al Masane Mine	*Mount Guyan Mine*	*Corporate*	*Total*
For the year ended 31 December 2022:				
Revenue				
External customers	418,644,633	171,433,763	-	**590,078,396**
Movement in provisional pricing	(10,872,176)	3,562,483	-	**(7,309,693)**
Revenue, net	407,772,457	174,996,246	-	**582,768,703**
Direct costs	(253,628,438)	(96,591,083)	(24,188,949)	**(374,408,470)**
Gross profit	154,144,019	78,405,163	(24,188,949)	**208,360,233**
Selling and distribution expenses	(24,824,990)	-	-	**(24,824,990)**
General and administrative expenses	-	-	(39,588,532)	**(39,588,532)**
Operating profit	129,319,029	78,405,163	(63,777,481)	**143,946,711**
Finance costs	(6,883,530)	(5,158,967)	-	**(12,042,497)**
Other income	-	-	10,705,361	**10,705,361**
Profit before zakat and income tax	122,435,499	73,246,196	(53,072,120)	**142,609,575**
Zakat and income tax	-	-	(16,278,429)	**(16,278,429)**
Net profit for the period	**122,435,499**	**73,246,196**	**(69,350,549)**	**126,331,146**
For the year ended 31 December 2021:				
Revenue				
External customers	490,911,613	109,883,986	-	600,795,599
Movement in provisional pricing	(15,062,597)	920,316	-	(14,142,281)
Revenue, net	475,849,016	110,804,302	-	586,653,318
Direct costs	(236,499,996)	(62,255,204)	(20,200,621)	(318,955,821)
Gross profit	239,349,020	48,549,098	(20,200,621)	267,697,497
Selling and distribution expenses	(28,641,496)	-	-	(28,641,496)
General and administrative expenses	-	-	(22,441,585)	(22,441,585)
Operating profit	210,707,524	48,549,098	(42,642,206)	216,614,416
Finance costs	(9,084,174)	(4,462,796)	-	(13,546,970)
Other income	-	-	65,093	65,093
Profit before zakat and income tax	201,623,350	44,086,302	(42,577,113)	203,132,539
Zakat and income tax	-	-	(5,867,770)	(5,867,770)
Net profit for the period	201,623,350	44,086,302	(48,444,883)	197,264,769
As at 31 December 2022				
Segment assets	**690,545,801**	**225,448,349**	**631,876,396**	**1,547,870,546**
Segment liabilities	**161,093,973**	**80,052,985**	**86,526,399**	**327,673,357**
As at 31 December 2021				
Segment assets	744,893,377	221,916,603	145,451,218	1,112,261,198
Segment liabilities	272,124,938	94,984,728	96,715,454	463,825,120

(All amounts in Saudi Riyals unless otherwise stated)

28 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the shareholders, directors and key management personnel of the Company. Pricing policies and terms of these transactions are approved by the Company's management. The following are the details of major related party transactions during the year:

Related party	*Relationship*	*Nature of transaction*	*Transactions*	
			2022	*2021*
Arab Commercial Enterprises for Travel	Other related party	Travel charges	**1,712,396**	3,100,085
Najran Mineral Water	Other related party	Water charges	**57,960**	53,130

Following is the detail of related party balances payable at the year-end:

	2022	*2021*
Amount due to related party		
Arab Commercial Enterprises for Travel	**(2,810)**	(593,846)

Key management compensation
Compensation for key management is as follows:

	2022	*2021*
Salaries and other benefits	**9,792,258**	9,780,764
End of service benefits	**567,610**	744,619
	10,359,868	10,525,383

29 CONTINGENCIES AND COMMITMENTS

Contingencies
The Company has no bank guarantee as at 31 December 2022 (2021: SR 44.4 million) relating to the mine closure provision.

Commitments
At 31 December 2022, the Company has future commitments amounting to SR 369 million (2021: SR 100.4 million).

30 FINANCIAL INSTRUMENTS RISK MANAGEMENT

The Company's principal financial liabilities comprise loans and borrowings, lease liabilities, trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents.

The Company's activities expose it to a variety of financial risks: market risk (including commission rate risks, currency risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Company's financial performance.

Market risk
Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market profit rates or the market prices of securities due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Commission rate risk
Commission rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing commission rates on the Company's financial position and cash flows. The Company's commission rate risks arise mainly from its loans and borrowings, which are at floating rate of commission and are subject to re-pricing on a regular basis. The Company monitors the fluctuations in commission rate.

Commission rate sensitivity
The following table demonstrates the sensitivity of the Company to a reasonably possible change in commission rates, on that portion of loans and borrowings affected. With all other variables held constant, the impact on the Company's profit before zakat and tax for the year ended 31 December 2022 and 2021 will be as follows:

	Increase / decrease in basis points	*Effect on profit before zakat and tax*
2022	**+100**	**(2,076,202)**
	-100	**2,076,202**
2021	+100	(3,291,311)
	-100	3,291,311

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's principal transactions are carried in Saudi Riyal and United States Dollars.

Management believes that there is minimal risk of significant losses due to exchange rate fluctuations as the majority of the monetary assets and liabilities are in Saudi Riyals or currencies which are pegged to the Saudi Riyal and consequently the Company does not expose to foreign currency exposure.

Commodity price risk
The Company is exposed to the risk of fluctuations in prevailing market commodity prices on the mix of mineral products it produces which is mainly copper, zinc, silver and gold which it sells into global markets. The market prices of copper, zinc, silver and gold are the key drivers of the Company's capacity to generate cash flow. The Company is predominantly an unhedged producer to provide its shareholders with exposure to changes in the market price of copper, zinc, silver and gold. The analysis is based on the assumption that the copper, zinc, silver and gold prices move 10% with all other variables held constant.

30 FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

Commodity price risk (continued)

	Effect on profit before tax for the year ended 31 December 2022 increase/(decrease)	*Effect on profit before tax for the year ended 31 December 2021 increase/(decrease)*
Increase / (decrease) in the Copper price		
+10%	**18,765,639**	23,079,903
-10%	**(18,765,639)**	(23,079,903)
Increase / (decrease) in the Zinc price		
+10%	**17,489,060**	19,780,790
-10%	**(17,489,060)**	(19,780,790)
Increase / (decrease) in the Gold price		
+10%	**21,447,714**	15,326,593
-10%	**(21,447,714)**	(15,326,593)
Increase / (decrease) in the Silver price		
+10%	**574,458**	478,045
-10%	**(574,458)**	(478,045)

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, foreign exchange transactions and other financial instruments.

Trade receivables
Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Outstanding trade receivables are regularly monitored, and any credit concerns highlighted to senior management. The Company currently has only two customer which account for total sales of the Company. Trade accounts receivable are shown net of impairment based on expected credit loss model as required by IFRS 9.

An impairment analysis is performed at reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity if the cost of such activity is expected to be higher than the benefit of doing so. The Company does not hold collateral as security. The letters of credit and other forms of security, if any, are considered integral part of trade receivables and considered in the calculation of impairment.

Financial instruments and cash deposits
Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. Investments of surplus funds are made only with commercial banks with sound credit ratings.

The Company's maximum exposure to credit risk for the cash and cash equivalents, trade and other receivables as at 31 December 2022 and 2021 is equal to the respective carrying amounts.

Liquidity risk
Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments. For instance, concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowings or reliance on a particular market in which to realize liquid assets. The following is the contractual undiscounted maturity analysis of the financial liabilities of the Company. The Company does not hold financial assets for managing liquidity risk. Hence, these risks have not been considered for maturity analysis.

(All amounts in Saudi Riyals unless otherwise stated)

30 FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

Liquidity risk (continued)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

2022	***Within 1 year SR***	***1 to 5 years SR***	***More than 5 Years SR***	***Total SR***
Loans and borrowings	101,148,000	111,624,000	-	**212,772,000**
Lease liabilities	1,140,106	2,308,185	-	**3,448,291**
Trade payables	26,957,734	-	-	**26,957,734**
	129,245,840	**113,932,185**	-	**243,178,025**

2021	*Within 1 year SR*	*1 to 5 years SR*	*More than 5 years SR*	*Total SR*
Loans and borrowings	108,666,668	208,166,668	15,800,000	332,633,336
Lease liabilities	2,107,673	1,644,182	-	3,751,855
Trade payables	18,052,017	-	-	18,052,017
	128,826,358	209,810,850	15,800,000	354,437,208

31 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital, statutory reserve and retained earnings attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus debt. The Company includes within debt, current and non-current portion of borrowings and lease liabilities.

	2022	*2021*
Debt – lease liabilities and loans and borrowings (including current portion)	**210,666,935**	332,660,853
Equity	**1,220,197,189**	648,436,078
Capital and debt	**1,430,864,124**	981,096,931
Gearing ratio	**14.72%**	33.91%

32 FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

All financial instruments measured at fair value use level 1 valuation techniques in both years. During the year ended 2022 and 2021, there were no movements between the levels.

The management assessed that cash and cash equivalents, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair values of the Company's loans and borrowings are determined by using DCF method using discount rate that reflects the borrowing rate as at the end of the reporting period. As at 31 December 2022 and 2021, the carrying amounts of loans and borrowings were not materially different from their calculated fair values.

(All amounts in Saudi Riyals unless otherwise stated)

33 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Reconciliation of changes in liabilities arising from financing activities are as follows:

	1 January 2022	*Additions*	*Cash flows*	*Other*	*31 December 2022*
Lease liabilities	**3,529,770**	2,620,097	(3,313,438)	210,301	**3,046,730**
Loans and borrowings	**329,131,083**	-	(130,909,806)	9,398,928	**207,620,205**
Total liabilities from financing activities	**332,660,853**	**2,620,097**	**(134,223,244)**	**9,609,229**	**210,666,935**

	1 January 2021	*Additions*	*Cash flows*	*Other*	*31 December 2021*
Lease liabilities	**6,055,310**	362,550	(3,324,485)	436,395	**3,529,770**
Loans and borrowings	**393,117,871**	17,360,000	(92,890,487)	11,543,699	**329,131,083**
Total liabilities from financing activities	**399,173,181**	**17,722,550**	**(96,214,972)**	**11,980,094**	**332,660,853**

The 'Other' column includes the effect of finance charges on unwinding of loan and lease liabilities. The Company classifies interest paid as cash flows from operating activities.

34 SUBSEQUENT EVENTS

In the opinion of management, there have been no significant subsequent events since the year ended 31 December 2022, which would have a material impact on the financial position of the Company as reflected in these financial statements.

35 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors on 22 Sha'ban 1444H, corresponding to 14 March 2023.