

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

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REVIEW REPORT**

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

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

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Al Masane Al Kobra Mining Company (A Saudi Joint Stock Company) (the "Company") as at 31 March 2024, and the related interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

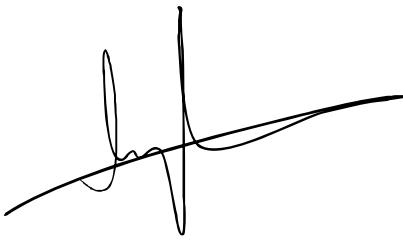
Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young Professional Services



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



Jeddah: 01 Duh Al-Qi'dah 1445H
(09 May 2024G)

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION


As at 31 March 2024

(All amounts in Saudi Riyals unless otherwise stated)

	Notes	31 March 2024 (Unaudited)	31 December 2023 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Mine properties	4	685,375,875	638,144,398
Property, plant and equipment	5	379,098,463	373,911,992
Right-of-use assets		2,085,796	2,302,964
Long term deposits		30,854	30,854
Deferred tax	10.3	28,180,286	28,511,219
TOTAL NON-CURRENT ASSETS		1,094,771,274	1,042,901,427
CURRENT ASSETS			
Inventories		101,827,141	100,625,825
Trade and other receivables		148,936,517	129,577,394
Advances and prepayments		73,415,121	70,169,167
Cash and cash equivalents	6	13,525,307	110,940,021
TOTAL CURRENT ASSETS		337,704,086	411,312,407
TOTAL ASSETS		1,432,475,360	1,454,213,834
EQUITY AND LIABILITIES			
EQUITY			
Share capital	7.1	900,000,000	900,000,000
Share premium	7.4	268,589,751	268,589,751
Retained earnings		22,843,078	61,305,053
Share-based compensation reserve	7.6	1,979,634	5,591,482
Treasury shares	7.3	(25,866,768)	(15,256,246)
TOTAL EQUITY		1,167,545,695	1,220,230,040
NON-CURRENT LIABILITIES			
Loans and borrowings	8	42,196,367	43,182,626
Lease liabilities		1,556,899	1,176,421
Provision for mine closure cost		32,536,292	32,107,655
Employee benefits	9	14,070,578	13,951,422
TOTAL NON-CURRENT LIABILITIES		90,360,136	90,418,124
CURRENT LIABILITIES			
Loans and borrowings	8	68,360,000	67,144,909
Lease liabilities		570,813	915,202
Trade payables		64,404,671	46,227,626
Accruals and other non-financial liabilities		30,664,936	21,929,903
Provision for zakat and income tax	10	6,706,779	4,916,582
Provision for severance fees		3,862,330	2,431,448
TOTAL CURRENT LIABILITIES		174,569,529	143,565,670
TOTAL LIABILITIES		264,929,665	233,983,794
TOTAL EQUITY AND LIABILITIES		1,432,475,360	1,454,213,834


 Finance Director


 Chief Executive Officer


 Chairman of the Board

The attached notes from 1 to 16 form an integral part of these interim condensed financial statements.


AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME (UNAUDITED)

For the three-month period ended 31 March 2024
 (All amounts in Saudi Riyals unless otherwise stated)

	Notes	<i>Three-month period ended</i>	
		31 March	
		2024	2023
Revenue, net	11	134,499,518	143,026,537
Direct costs		(99,487,533)	(94,306,783)
GROSS PROFIT		35,011,985	48,719,754
Selling and marketing expenses		(6,094,937)	(4,424,012)
General and administrative expenses		(11,049,516)	(7,035,953)
OPERATING PROFIT		17,867,532	37,259,789
Finance costs		(1,126,423)	(2,671,517)
Other income		576,083	3,744,461
PROFIT BEFORE ZAKAT AND INCOME TAX		17,317,192	38,332,733
Zakat	10	(1,613,255)	(4,499,250)
Income tax	10	(579,060)	(978,703)
NET PROFIT FOR THE PERIOD		15,124,877	32,854,780
OTHER COMPREHENSIVE INCOME/LOSS			
<i>Items that will not be reclassified to statement of profit or loss in subsequent periods:</i>			
Re-measurement gain/(loss) on defined benefit plans	9	76,942	(382,059)
Deferred tax relating to actuarial gain/(loss)	10	71,185	13,567
		148,127	(368,492)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		15,273,004	32,486,288
Earnings per share:			
Basic earnings and diluted earnings per share attributable to ordinary equity holders of the Company	14	0.17	0.37


 Finance Director


 Chief Executive Officer


 Chairman of the Board

The attached notes from 1 to 16 form an integral part of these interim condensed financial statements.

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

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three-month period ended 31 March 2024

(All amounts in Saudi Riyals unless otherwise stated)

	<i>Share capital</i>	<i>Share premium</i>	<i>Statutory reserve</i>	<i>Share-based compensation reserve</i>	<i>Retained earnings</i>	<i>Treasury shares</i>	<i>Total</i>
Balance as at 1 January 2023	660,000,000	508,589,751	32,359,592	-	35,269,168	(16,021,322)	1,220,197,189
Profit for the period	-	-	-	-	32,854,780	-	32,854,780
Other comprehensive loss for the period	-	-	-	-	(368,492)	-	(368,492)
Total comprehensive income for the period	-	-	-	-	32,486,288	-	32,486,288
Balance as at 31 March 2023	660,000,000	508,589,751	32,359,592	-	67,755,456	(16,021,322)	1,252,683,477
Balance as at 1 January 2024	900,000,000	268,589,751	-	5,591,482	61,305,053	(15,256,246)	1,220,230,040
Profit for the period	-	-	-	-	15,124,877	-	15,124,877
Other comprehensive income for the period	-	-	-	-	148,127	-	148,127
Total comprehensive income for the period	-	-	-	-	15,273,004	-	15,273,004
Share-based compensation (note 7.6)	-	-	-	1,555,652	-	-	1,555,652
Treasury shares issued to employees (note 7.3)	-	-	-	(5,167,500)	4,532,269	635,231	-
Dividend (note 7.5)	-	-	-	-	(57,485,288)	-	(57,485,288)
Loss on treasury shares (note 7.3)	-	-	-	-	(781,960)	-	(781,960)
Purchase of treasury shares (note 7.3)	-	-	-	-	-	(11,245,753)	(11,245,753)
Balance as at 31 March 2024	900,000,000	268,589,751	-	1,979,634	22,843,078	(25,866,768)	1,167,545,695

M. Shoaih

Finance Director

Ch. G. Wardak

Chief Executive Officer

[Signature]

Chairman of the Board

The attached notes from 1 to 16 form an integral part of these interim condensed financial statements.


AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)
 INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the three-month period ended 31 March 2024
 (All amounts in Saudi Riyals unless otherwise stated)

	Notes	Three-month period ended 31 March	
		2024	2023
OPERATING ACTIVITIES			
Profit before zakat and income tax		17,317,192	38,332,733
<i>Adjustment to reconcile profit before zakat and income tax to net cash inflow from operating activities:</i>			
Depreciation, depletion and amortisation	4&5	33,490,960	30,345,531
Amortisation of right-of-use assets		217,168	473,744
Provision for employee benefits	9	999,542	853,194
Provision for severance fees		1,430,882	3,854,786
Finance income on short term deposits		-	3,744,461
Share-based compensation expense		1,555,652	-
Finance costs		1,126,423	2,671,517
		56,137,819	80,275,966
<i>Working capital adjustments:</i>			
Inventories		(1,201,316)	(7,733,296)
Trade and other receivables		(19,359,123)	3,315,104
Advances and prepayments		(3,245,954)	(27,336,636)
Trade payables		18,177,045	2,843,610
Accruals and other non-financial liabilities		8,735,033	(3,073,388)
Cash from operations		59,243,504	48,291,360
Income tax paid	10.2	-	(2,237,688)
Employee benefits paid	9	(803,444)	(132,970)
Finance costs paid		(432,864)	(271,299)
Net cash flows from operating activities		58,007,196	45,649,403
INVESTING ACTIVITIES			
Additions to mine properties	4	(67,813,394)	(56,907,469)
Additions to property, plant and equipment	5	(18,095,515)	(862,863)
Net cash flows used in investing activities		(85,908,909)	(57,770,332)
FINANCING ACTIVITIES			
Dividend paid		(57,485,288)	-
Payment of principal portion of lease liabilities		-	(490,560)
Purchase of treasury shares		(12,027,713)	-
Net cash flows used in financing activities		(69,513,001)	(490,560)
DECREASE IN CASH AND CASH EQUIVALENTS		(97,414,714)	(12,611,489)
Cash and cash equivalents at the beginning of the period		110,940,021	381,391,908
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		13,525,307	368,780,419
SUPPLEMENTARY SIGNIFICANT NON-CASH INFORMATION			
Provision for mine closure cost		428,637	406,908


 Finance Director


 Chief Executive Officer


 Chairman of the Board

The attached notes from 1 to 16 form an integral part of these interim condensed financial statements.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

At 31 March 2024

(All amounts in Saudi Riyals unless otherwise stated)

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 ore 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 renewed 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 ores from accompanying site Mount Guyan Surface.

As at the reporting date, the Company has two mines namely Al Masane underground mine (underground) and Mount Guyan mine (on ground). 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 AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES

2.1 Statement of compliance

The interim condensed financial statements for the three-month period ended 31 March 2024 have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The Company has prepared the interim condensed financial statements on the basis that it will continue to operate as a going concern. The Board of Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended 31 December 2023. In addition, results of the interim period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

2.2 Basis of measurement

These interim condensed 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 interim condensed financial statements are prepared using the accrual basis of accounting and going concern concept.

2.3 Functional currency

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

2. BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES (continued)

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's interim condensed 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. The significant judgements made by management in applying the Company's accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the financial statements for the year ended 31 December 2023. Any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future periods.

2.5 New Standards, Interpretations and Amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have any material impact on the interim condensed financial statements of the Company.

2.5.1 *Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7*

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Company's interim condensed financial statements.

2.5.2 *Amendments to IFRS 16: Lease Liability in a Sale and Leaseback*

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Company's interim condensed financial statements.

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

In January 2020 and October 2022, 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
- 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

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Company's interim condensed financial statements.

2. BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES (continued)

2.6 Mine properties, property, plant and equipment and right-of-use assets

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 2024 for Al Masane Mine to 6.5 million metric tonnes (1 January 2023: 7.04 million metric tonnes) and for Mount Guyan Mine to 3.1 million metric tonnes (1 January 2023: 3.6 million metric tonnes). Such change in the UOP has been applied prospectively from 1 January 2024. The change in UOP resulted in change in depreciation and amortization charge for the current period by approximately SR 0.4 million. However, impact on future years cannot be calculated due to annual reviews of remaining useful life and reserves.

3. 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 does;
- Mount Guyan mine segment represents extraction and production of the precious metals i.e. gold and silver does; 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 interim condensed financial statements. However, the Company's severance fees, zakat and income taxes are managed on corporate basis and are not allocated to operating segments.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 31 March 2024

(All amounts in Saudi Riyals unless otherwise stated)

3. SEGMENT REPORTING (continued)

	<i>Al Masane Mine</i>	<i>Mount Guyan Mine</i>	<i>Corporate</i>	<i>Total</i>
<u>For the three-month period ended 31 March 2024:</u>				
Revenue				
External customers	89,156,975	45,342,543	-	134,499,518
Movement in provisional pricing	-	-	-	-
Revenue, net	89,156,975	45,342,543	-	134,499,518
Direct costs	(62,833,254)	(35,146,455)	(1,507,824)	(99,487,533)
Gross profit	26,323,721	10,196,088	(1,507,824)	35,011,985
Selling and distribution expenses	(6,094,937)	-	-	(6,094,937)
General and administrative expenses	-	-	(11,049,516)	(11,049,516)
Operating profit	20,228,784	10,196,088	(12,557,340)	17,867,532
Finance costs	(797,696)	(328,727)	-	(1,126,423)
Other income	-	-	576,083	576,083
Profit before zakat and income tax	19,431,088	9,867,361	(11,981,257)	17,317,192
Zakat and income tax	-	-	(2,192,315)	(2,192,315)
Net profit for the period	19,431,088	9,867,361	(14,173,572)	15,124,877
Other comprehensive income for the period	-	-	148,127	148,127
Total comprehensive income for the period	19,431,088	9,867,361	(14,025,445)	15,273,004
<u>For the three-month period ended 31 March 2023:</u>				
Revenue				
External customers	98,563,352	45,790,867	-	144,354,219
Movement in provisional pricing	(2,553,285)	1,225,603	-	(1,327,682)
Revenue, net	96,010,067	47,016,470	-	143,026,537
Direct costs	(62,884,184)	(27,949,873)	(3,472,726)	(94,306,783)
Gross profit	33,125,883	19,066,597	(3,472,726)	48,719,754
Selling and distribution expenses	(4,424,012)	-	-	(4,424,012)
General and administrative expenses	-	-	(7,035,953)	(7,035,953)
Operating profit	28,701,871	19,066,597	(10,508,679)	37,259,789
Finance costs	(1,683,052)	(988,465)	-	(2,671,517)
Other income	-	-	3,744,461	3,744,461
Profit before zakat and income tax	27,018,819	18,078,132	(6,764,218)	38,332,733
Zakat and income tax	-	-	(5,477,953)	(5,477,953)
Net profit for the period	27,018,819	18,078,132	(12,242,171)	32,854,780
Other comprehensive loss for the period	-	-	(368,492)	(368,492)
Total comprehensive income for the period	27,018,819	18,078,132	(12,610,663)	32,486,288
<u>As at 31 March 2024</u>				
Segment assets	662,124,036	224,624,861	545,726,463	1,432,475,360
Segment liabilities	80,191,374	65,028,997	119,709,294	264,929,665
<u>As at 31 December 2023</u>				
Segment assets	646,924,752	214,840,495	592,448,587	1,454,213,834
Segment liabilities	79,826,542	64,700,270	89,456,982	233,983,794

At 31 March 2024

(All amounts in Saudi Riyals unless otherwise stated)

4 MINE PROPERTIES

	<i>31 March 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
Cost:		
At the beginning of the period/year	1,262,677,440	893,911,494
Additions during the period/year	67,813,394	362,141,519
Transfer from capital work in progress during the period/year	-	6,624,427
	<hr/>	<hr/>
At the end of the period/year	1,330,490,834	1,262,677,440
	<hr/>	<hr/>
Depreciation:		
At the beginning of the period/year	624,533,042	553,030,834
Charge for the period/year	20,581,917	71,502,208
	<hr/>	<hr/>
At the end of the period/year	645,114,959	624,533,042
	<hr/>	<hr/>
Net book amounts:		
At the end of the period/year	685,375,875	638,144,398
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5 PROPERTY, PLANT AND EQUIPMENT

During the three-month period ended 31 March 2024, the Company purchased assets with a cost of SR 5,207,508 (31 March 2023: SR 862,863), excluding capital work in progress.

The carrying amount of capital work in progress as at 31 March 2024 was SR 21,924,946 (31 December 2023: SR 9,036,937).

The depreciation charge for the three-month period ended 31 March 2024 amounted to SR 12,909,043 (31 March 2023: SR 14,488,713).

Property, plant and equipment are subject to a pledge as collateral against a long-term loan (note 8).

6 CASH AND CASH EQUIVALENTS

	<i>31 March 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
Short-term deposits (refer note below)	-	100,000,000
Bank balances	11,651,404	10,853,380
Cash in hand	86,640	86,641
Restricted cash (refer note 7.3)	1,787,263	-
	<hr/>	<hr/>
	13,525,307	110,940,021
	<hr/> <hr/>	<hr/> <hr/>

Short term deposits carries profit margin ranging from 6.15% to 6.18% with a maturity of less than 3 months as at the reporting date.

7 EQUITY**7.1 Share capital**

Share capital of the Company is divided into 90 million shares of SR 10 each as at 31 March 2024 and 31 December 2023 (Note 7.4).

At 31 March 2024

(All amounts in Saudi Riyals unless otherwise stated)

7 EQUITY (continued)**7.2 Statutory reserve**

On 27 November 2023 (corresponding to 13 Jumada Al-Ula 1445H), the Board of Directors of the Company recommended to the shareholders to transfer the statutory reserve balance of SR 32,359,592 to retained earnings. The recommendation of transfer of statutory reserve to retained earnings was approved by the shareholders in their Extraordinary General Assembly Meeting held on 21 December 2023 (corresponding to 8 Jumada Al-Alkhirah 1445H). The legal formalities were completed in this regard during the year ended 31 December 2023.

7.3 Treasury shares

The Company had 1,561,095 treasury shares at the start of the current period. 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 period were 65,000 (31 December 2023: 61,650).

During the period ended 31 March 2024, the Company appointed Al Rajhi Capital as market maker for the Company's shares, to support the Company's liquidity in shares trading. As at 31 March 2024, the Company held 203,359 of its own shares. The company recorded an unrealized loss of SR 781,960.

7.4 Share premium

During 2022, the Board of Directors recommended to the extraordinary general assembly to use the share premium account, which had a balance of SR 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. The proposed increase in share capital after obtaining necessary approvals from the competent authorities was approved by the shareholders at the extraordinary general assembly meeting held on 1 August 2023. The legal formalities were completed in this regard during the year ended 31 December 2023.

7.5 Dividends

On 4 January 2024, the Board of Directors announced the distribution of SR 57 million (SR 0.65 per share) for the second half of the year 2023 which represents 6.5% of the nominal value of the shares. On 21 January 2024, the Company distributed the cash dividend.

7.6 Share based compensation reserve

During the year ended 31 December 2023, the company approved new share-based compensation incentive plan for certain key employees applicable from 01 May 2023G. The plan entitles the eligible employees to receive specific number of shares on the dates specified in the plan. The award for grant was granted for nil consideration. The fair value of the grant was determined by reference to the market value of the Company's ordinary shares on the date of grant for equity-settled awards i.e. 30 April 2023G.

The Company recognized the following share-based compensation expense in the statement of profit or loss, as an employee benefit expense during the period:

	<i>31 March</i> <i>2024</i>	<i>31 December</i> <i>2023</i>
<i>Equity settled share-based compensation expense:</i>		
Share-based compensation reserve at beginning of period	5,591,482	-
Share-based compensation expense	1,555,652	10,492,657
Shares issued during the period	(5,167,500)	(4,901,175)
	<hr/>	<hr/>
Share-based compensation reserve	1,979,634	5,591,482
	<hr/> <hr/>	<hr/> <hr/>

At 31 March 2024

(All amounts in Saudi Riyals unless otherwise stated)

8 LOANS AND BORROWINGS

	<i>31 March 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
Saudi Industrial Development Fund (SIDF) (note 5)	110,556,367	110,327,535
Less: Current portion shown under current liabilities	(68,360,000)	(67,144,909)
Loans and borrowings under non-current liabilities	42,196,367	43,182,626

8.1 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. 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.

8.2 Loans and borrowings bear finance charges ranging from 2.59% to 5.23% per annum (31 December 2023: 2.59% to 5.23% per annum).

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

9 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 period/year ended is as follows:

	<i>31 March 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
Balance at the beginning of the period/year	13,951,422	10,988,909
<i>Included in interim condensed statement of profit or loss</i>		
Current service cost	838,639	2,954,037
Interest cost	160,903	445,655
	999,542	3,399,692
<i>Included in interim condensed statement of other comprehensive income/(loss)</i>		
Actuarial (gain)/loss	(76,942)	318,983
Benefits paid	(803,444)	(756,162)
Balance at the end of the period/year	14,070,578	13,951,422
	Three-month period ended 31 March	
	2024	2023
Current service cost	838,639	738,509
Interest cost on defined benefits obligation	160,903	114,685
Actuarial (gain)/loss	(76,942)	382,059

At 31 March 2024

(All amounts in Saudi Riyals unless otherwise stated)

9 EMPLOYEE BENEFITS (continued)

Significant assumptions used in determining defined benefits obligation for the Company are shown below:

	<i>31 March 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
Discount rate	5.50%	4.75%
Salary increase rate	5.50%	4.75%

10 ZAKAT, INCOME TAX AND DEFERRED TAX**10.1 Zakat**

	<i>Three-month period ended 31 March</i>	
	<i>2024 (Unaudited)</i>	<i>2023 (Unaudited)</i>
Zakat relating to current period	<u>1,613,255</u>	<u>4,499,250</u>

The movement in the zakat provision during the period/year is as follows:

	<i>31 March 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
Balance at the beginning of the period/year	6,459,374	16,051,342
Net charge for the period/year	1,613,255	2,314,786
Payments during the period/year	-	(11,906,754)
Balance at the end of the period/year	<u>8,072,629</u>	<u>6,459,374</u>

10.2 Income tax

	<i>Three-month period ended 31 March</i>	
	<i>2024 (Unaudited)</i>	<i>2023 (Unaudited)</i>
Income tax relating to current period	<u>176,942</u>	<u>1,007,741</u>

The movement in the income tax provision for the period/year is as follows:

	<i>31 March 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
Balance at the beginning of the period/year	(1,542,792)	(1,823,736)
Net charge for the period/year	176,942	2,836,423
Payments during the period/year	-	(2,555,479)
Balance at the end of the period/year	<u>(1,365,850)</u>	<u>(1,542,792)</u>

At 31 March 2024

(All amounts in Saudi Riyals unless otherwise stated)

10 ZAKAT, INCOME TAX AND DEFERRED TAX (continued)**10.3 Deferred tax**

	<i>Three-month period ended 31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Deferred tax charge/(credit) relating to current period	402,118	(29,038)
Deferred tax credit relating to other comprehensive income	(71,185)	(13,567)
	330,933	(42,605)

The movement of the deferred tax asset for the period/year ended is as follows:

	<i>31 March</i>	<i>31 December</i>
	<i>2024</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Balance at the beginning of the period/year	28,511,219	29,159,977
Deferred tax credit during the period/year recognised in interim condensed statement of profit or loss	(402,118)	(722,766)
Deferred tax debit to other comprehensive income	71,185	74,008
Balance at the end of the period/year	28,180,286	28,511,219

Status of assessments

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 2023 and obtained the zakat certificate which is valid till 30 April 2025.

11 REVENUE, NET

	<i>Three-month period ended 31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue from contracts with customers:		
Copper concentrate	44,858,648	45,556,044
Zinc concentrate	34,808,488	41,759,551
Precious metals	55,041,597	57,038,624
	134,708,733	144,354,219
Movement in provisional pricing adjustments during the period	(209,215)	(1,327,682)
	134,499,518	143,026,537

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 31 March 2024

(All amounts in Saudi Riyals unless otherwise stated)

12 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 period:

<u>Related party</u>	<u>Relationship</u>	<u>Nature of transaction</u>	<u>Transactions</u>	
			<u>Three-month period ended 31 March 2024</u>	<u>2023</u>
Najran Mineral Water Company Limited	Other related party	Water charges	29,066	14,490
Najran Cement Company	Other related party	Cement supplies	126,262	-

Following are the details of related party balances payable at the period/year end:

	<u>31 March 2024</u> <i>(Unaudited)</i>	<u>31 December 2023</u> <i>(Audited)</i>
<u>Amount due from a related party</u>		
Najran Cement Company	145,988	-
<u>Amount due to a related party</u>		
Najran Mineral Water Company Limited	10,125	9,315

Key management compensation

Compensation for key management is as follows:

	<u>Three-month period ended 31 March</u>	
	<u>2024</u>	<u>2023</u>
Salaries and other benefits	1,738,750	1,478,574
End of service benefits	8,847	42,574
	1,747,597	1,521,148

At 31 March 2024

(All amounts in Saudi Riyals unless otherwise stated)

13 CONTINGENCIES AND COMMITMENTS**Contingencies**

The Company has bank guarantees of SR 644,184 as at 31 March 2024 (31 December 2023: SR 644,184).

Commitments

At 31 March 2024, the Company has future commitments amounting to SR 200 million (31 December 2023: SR 239 million).

14 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. As a result of issuance of bonus shares (note 7.4), the outstanding weighted average number of ordinary shares post the bonus shares issuance have been used for calculation of basic and diluted earnings per ordinary share. The earnings per share calculation is given below:

	<i>Three-month period ended 31 March</i>	
	<i>2024</i>	<i>2023</i>
Net profit for the period attributable to ordinary shareholders	15,124,877	32,854,780
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	88,246,975	88,360,619
Basic and diluted earnings per ordinary share	0.17	0.37

Potential ordinary shares during the period ended 31 March 2024 relates to employees' share-based compensation in respect of employee share plans that were awarded to the Company's eligible employees under those plan terms (note 7.6). These share plans did not have a significant dilution effect on basic earnings per share for the period ended 31 March 2024 and for the year ended 31 December 2023.

15 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.

At 31 March 2024

(All amounts in Saudi Riyals unless otherwise stated)

15 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

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.

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. During the period ended 31 March 2024 and year ended 31 December 2023, there were no movements between the levels.

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 March 2024 and 31 December 2023, the carrying amounts of loans and borrowings were not materially different from their calculated fair values.

16 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements have been authorized by the Board of Directors on 09 May 2024G, corresponding to 01 Duh Al-Qi'dah 1445H.