

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

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

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

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

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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**

INDEX	PAGE
Independent Auditor’s Review Report on Interim Condensed Financial Statements	1
Interim Condensed Statement of Financial Position	2
Interim Condensed Statement of Profit or Loss and Other Comprehensive Income	3
Interim Condensed Statement of Changes in Equity	4
Interim Condensed Statement of Cash Flows	5-6
Notes to the Interim Condensed Financial Statements	7 – 23



Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
King's Road Tower, 13th Floor
King Abdul Aziz Road (Malek Road)
P.O. Box 1994
Jeddah 21441
Kingdom of Saudi Arabia
Head Office – Riyadh

C.R. No. 4030276644

Tel: +966 12 221 8400

Fax: +966 12 664 4408

ey.ksa@sa.ey.com

ey.com

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 30 June 2025, and the related interim condensed statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2025, and the related interim condensed statements of changes in equity and cash flows for the six-month period 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 statement 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 as 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

Hussain Saleh Asiri
Certified Public Accountant
License No. (414)





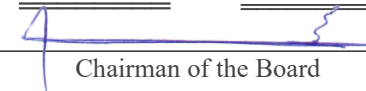
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AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

(All amounts in Saudi Riyals unless otherwise stated)

	Notes	30 June 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Mine properties	4	299,531,930	302,108,648
Property, plant and equipment	5	698,650,838	741,554,652
Right-of-use assets		1,932,763	1,429,519
Long term deposits		30,855	30,854
Deferred tax	11.3	31,088,718	32,317,001
TOTAL NON-CURRENT ASSETS		1,031,235,104	1,077,440,674
CURRENT ASSETS			
Inventories		131,422,323	114,030,603
Trade and other receivables		278,074,667	248,568,697
Advances and prepayments		120,816,646	45,043,605
Cash and cash equivalents	6	10,130,487	14,015,883
TOTAL CURRENT ASSETS		540,444,123	421,658,788
TOTAL ASSETS		1,571,679,227	1,499,099,462
EQUITY AND LIABILITIES			
EQUITY			
Share capital	7.1	900,000,000	900,000,000
Share premium		268,589,751	268,589,751
Retained earnings		127,924,280	105,499,614
Share-based compensation reserve	7.4	2,041,543	1,807,951
Treasury shares	7.2	(14,206,160)	(23,766,975)
TOTAL EQUITY		1,284,349,414	1,252,130,341
NON-CURRENT LIABILITIES			
Loans and borrowings	8	21,701,716	28,699,601
Lease liabilities		1,193,118	505,452
Provision for mine closure cost		33,179,750	32,375,597
Employee benefits	10	17,738,319	15,716,418
TOTAL NON-CURRENT LIABILITIES		73,812,903	77,297,068
CURRENT LIABILITIES			
Loans and borrowings – current portion	8	14,000,000	15,000,000
Lease liabilities – current portion		748,284	670,969
Trade payables		72,462,948	69,158,449
Accruals and other non-financial liabilities		26,570,514	29,672,636
Provision for zakat and income tax	11	9,832,010	11,620,005
Short term borrowings	9	80,000,000	20,000,000
Provision for severance fees	12	9,903,154	23,549,994
TOTAL CURRENT LIABILITIES		213,516,910	169,672,053
TOTAL LIABILITIES		287,329,813	246,969,121
TOTAL EQUITY AND LIABILITIES		1,571,679,227	1,499,099,462
 Finance Director		 Chief Executive Officer	
		 Chairman of the Board	

The attached notes from 1 to 19 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 six-month period ended 30 June 2025

(All amounts in Saudi Riyals unless otherwise stated)

	Note	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
		<i>30 June</i>		<i>30 June</i>	
		<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
			<i>Restated</i>		<i>Restated</i>
			<i>(Note 18)</i>		<i>(Note 18)</i>
Revenue, net	13	258,563,288	203,312,649	478,335,686	337,812,167
Direct costs		(148,137,630)	(115,866,231)	(283,955,565)	(215,353,763)
GROSS PROFIT		110,425,658	87,446,418	194,380,121	122,458,404
Selling and marketing expenses		(6,399,791)	(6,687,004)	(11,379,765)	(12,781,941)
General and administrative expenses		(13,007,716)	(10,508,482)	(23,867,164)	(21,558,000)
OPERATING PROFIT		91,018,151	70,250,932	159,133,192	88,118,463
Finance costs		(957,810)	(1,701,423)	(1,849,915)	(2,827,846)
Other income		-	-	-	576,084
PROFIT BEFORE ZAKAT AND INCOME TAX		90,060,341	68,549,509	157,283,277	85,866,701
Zakat (expense)/credit	11	(2,137,763)	(2,084,328)	(3,563,514)	(3,697,583)
Income tax credit/(expense)	11	(2,891,431)	1,005,020	(5,530,089)	425,960
Severance fees	12	(11,983,526)	(5,651,440)	(19,902,404)	(5,651,440)
NET PROFIT FOR THE PERIOD		73,047,621	61,818,761	128,287,270	76,943,638
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	10	907,753	154,396	(650,297)	231,338
Deferred tax relating to actuarial movement	11.3	33,122	(5,172)	93,644	66,013
		940,875	149,224	(556,653)	297,351
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		73,988,496	61,967,985	127,730,617	77,240,989
Earnings per share:					
Basic and diluted earnings per share attributable to ordinary equity holders of the Company	16	0.82	0.70	1.45	0.87



Finance Director



Chief Executive Officer



Chairman of the Board

The attached notes from 1 to 19 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 six-month period ended 30 June 2025

(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Share Premium	Share-based compensation reserve	Retained earnings	Treasury shares	Total
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	-	-	-	76,943,638	-	76,943,638
Other comprehensive loss for the period	-	-	-	297,351	-	297,351
Total comprehensive income for the period	-	-	-	77,240,989	-	77,240,989
Current period charge (note 7.4)	-	-	1,897,017	-	-	1,897,017
Treasury shares issued to employees (note 7.4)	-	-	(6,236,775)	5,470,100	766,675	-
Dividend	-	-	-	(57,485,288)	-	(57,485,288)
Loss on treasury shares	-	-	-	(1,182)	-	(1,182)
Purchase of treasury shares	-	-	-	-	(823,021)	(823,021)
Balance as at 30 June 2024	900,000,000	268,589,751	1,251,724	86,529,672	(15,312,592)	1,241,058,555
Balance as at 1 January 2025	900,000,000	268,589,751	1,807,951	105,499,614	(23,766,975)	1,252,130,341
Profit for the period	-	-	-	128,287,270	-	128,287,270
Other comprehensive income for the period	-	-	-	(556,653)	-	(556,653)
Total comprehensive income for the period	-	-	-	127,730,617	-	127,730,617
Current period charge (note 7.4)	-	-	639,042	-	-	639,042
Treasury shares issued to employees (note 7.2)	-	-	(405,450)	355,609	49,841	-
Dividend (note 7.3)	-	-	-	(104,478,681)	-	(104,478,681)
Loss on treasury shares (note 7.2)	-	-	-	(1,182,879)	-	(1,182,879)
Disposal of treasury shares	-	-	-	-	9,510,974	9,510,974
Balance as at 30 June 2025	900,000,000	268,589,751	2,041,543	127,924,280	(14,206,160)	1,284,349,414


Finance Director


Chief Executive Officer

Chairman of the Board

The attached notes from 1 to 19 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)

At 30 June 2025

(All amounts in Saudi Riyals unless otherwise stated)

	Notes	<i>Six-month period ended 30 June</i>	
		2025	2024
			<i>Restated (Note 18)</i>
OPERATING ACTIVITIES			
Profit before zakat and income tax		157,283,277	85,866,701
<i>Adjustment to reconcile profit before zakat and income tax to net cash inflow from operating activities:</i>			
Depreciation, depletion and amortisation	4&5	117,378,518	69,296,484
Amortisation of right-of-use assets		357,736	436,722
Provision for employee benefits	10	2,712,101	1,995,815
Provision for severance fees	12	3,586,128	3,968,564
Share-based compensation expense		639,042	1,897,017
Finance costs		1,849,915	2,827,846
		283,806,717	166,289,149
<i>Working capital adjustments:</i>			
Inventories		(17,391,721)	3,494,283
Trade and other receivables		(29,505,970)	(94,063,295)
Advances and prepayments		(75,773,041)	(1,733,492)
Trade payables		3,304,499	36,305,958
Accruals and other non-financial liabilities		(3,377,187)	6,145,367
Cash from operations		161,063,297	116,437,970
Zakat paid	11.1	(4,087,320)	(6,267,171)
Income tax paid	11.2	(5,472,351)	(537,396)
Severance fees paid	12	(37,135,372)	(3,161,849)
Employee benefits paid	10	(1,340,497)	(1,078,743)
Finance costs paid		(714,580)	(1,633,430)
Net cash flows from operating activities		112,313,177	103,759,381
INVESTING ACTIVITIES			
Additions to mine properties	4	(55,845,843)	(119,096,568)
Additions to property, plant and equipment	5	(16,052,144)	(21,273,285)
Net cash flows used in investing activities		(71,897,987)	(140,369,853)
FINANCING ACTIVITIES			
Dividend paid	7.3	(104,478,681)	(57,485,288)
Payment of principal portion of loans and borrowings		(8,000,000)	(58,844,406)
Payment of principal portion of lease liabilities		(150,000)	(368,749)
Repayment of short term borrowings		(20,000,000)	-
Proceeds from short term borrowings		80,000,000	61,000,000
(Purchase)/ sale of treasury shares		8,328,095	(824,203)
Net cash flows used in financing activities		(44,300,586)	(56,522,646)
DECREASE IN CASH AND CASH EQUIVALENTS		(3,885,396)	(93,133,118)
Cash and cash equivalents at the beginning of the period		14,015,883	110,940,021
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	10,130,487	17,806,903

The attached notes from 1 to 19 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 six-month period ended 30 June 2025

(All amounts in Saudi Riyals unless otherwise stated)

Six-month period ended 30 June

2025

2024

Restated (Note 18)

SUPPLEMENTARY SIGNIFICANT NON-CASH INFORMATION

Provision for mine closure cost

804,153

857,274

Addition in right of use assets

860,980

-



Finance Director



Chief Executive Officer



Chairman of the Board

At 30 June 2025

(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 three operational mines namely Al Masane underground mine, Moyoath underground mine and Mount Guyan mine (on ground).

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

2.1 Statement of compliance

The interim condensed financial statements for the six-month period ended 30 June 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting 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 2024. In addition, results of the interim period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

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 2024. 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 Material Accounting Policy Information

The accounting policies applied in these interim condensed financial statements are the same as those applied in the Company's annual financial statement as at and for the year ended 31 December 2024. Except for the adoption of new standards disclosed in note 2.6 effective as of 1 January 2025, the Company has not adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.6 New standards, interpretations and amendment

a) Standards, interpretations and amendments issued but not yet effective

The standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the Company's interim condensed financial statements are disclosed below. The Company intends to adopt these standards, interpretations and amendments if applicable, when they become effective. Management do not anticipate material impact on the interim condensed financial statements on adopting the standards, interpretations and amendments if applicable.

<u>Standard / Interpretation</u>	<u>Description</u>	<i>Effective from periods beginning on or after the following date</i>
IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 1, IFRS 7, IFRS 9, IFRS 10 & IAS 7	Annual Improvements to IFRS Accounting Standards	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 10 and IAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

b) Standards, interpretations and amendments that became effective during the period

Following amendments to IFRS and International Accounting Standards were effective on or after 1 January 2025, but they did not have a material effect on the Company's interim condensed financial statements:

<u>Standard / Interpretation</u>	<u>Description</u>	<i>Effective from periods beginning after the following date</i>
IAS 21	Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	1 January 2025

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 three 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;
- Moyeath mine segment represents an expansion project of Al Masane mine and is involved in extraction and production of the base metals i.e. copper and zinc concentrates (refer note (a) below); 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.

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

At 30 June 2025

(All amounts in Saudi Riyals unless otherwise stated)

3. SEGMENT REPORTING (continued)

	<i>Al Masane Mine</i>	<i>Mount Guyan Mine</i>	<i>Moyeath Mine</i>	<i>Corporate</i>	<i>Total</i>
For the six-month period ended 30 June 2025:					
Revenue					
Copper	95,829,802	-	61,116,142	-	156,945,944
Zinc	49,659,296	-	83,835,478	-	133,494,774
Gold	19,004,309	167,100,646	-	-	186,104,955
Silver	2,706,154	-	-	-	2,706,154
Total external customers revenue	167,199,561	167,100,646	144,951,620	-	479,251,827
Movement in provisional pricing	(3,397,942)	7,463,075	(4,981,274)	-	(916,141)
Revenue, net	163,801,619	174,563,721	139,970,346	-	478,335,686
Direct costs	(118,657,093)	(83,604,669)	(78,757,973)	(2,935,830)	(283,955,565)
Gross profit	45,144,526	90,959,052	61,212,373	(2,935,830)	194,380,121
Selling and distribution expenses	(5,444,378)	(495,012)	(5,440,375)	-	(11,379,765)
General and administrative expenses	-	-	-	(23,867,164)	(23,867,164)
Operating profit	39,700,148	90,464,040	55,771,998	(26,802,994)	159,133,192
Finance costs	(907,161)	(611,240)	(331,514)	-	(1,849,915)
Profit before zakat and income tax	38,792,987	89,852,800	55,440,484	(26,802,994)	157,283,277
Zakat and income tax	-	-	-	(28,996,007)	(28,996,007)
Net profit for the period	38,792,987	89,852,800	55,440,484	(55,799,001)	128,287,270
Other comprehensive income for the period	-	-	-	(556,653)	(556,653)
Total comprehensive income for the period	38,792,987	89,852,800	55,440,484	(56,355,654)	127,730,617

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

At 30 June 2025

(All amounts in Saudi Riyals unless otherwise stated)

3. SEGMENT REPORTING (continued)

	<i>Al Masane Mine</i>	<i>Mount Guyan Mine</i>	<i>Moyeath Mine</i>	<i>Corporate</i>	<i>Total</i>
For the six-month period ended 30 June 2024:					
Revenue					
Copper	97,205,783	-	22,375,973	-	119,581,756
Zinc	79,797,648	-	27,456,373	-	107,254,021
Gold	17,129,395	90,560,570	-	-	107,689,965
Silver	3,127,288	-	-	-	3,127,288
Total external customers revenue	197,260,114	90,560,570	49,832,346	-	337,653,030
Movement in provisional pricing	789,208	(630,071)	-	-	159,137
Revenue, net	198,049,322	89,930,499	49,832,346	-	337,812,167
Direct costs	(126,999,973)	(68,583,010)	(15,570,878)	(4,199,902)	(215,353,763)
Gross profit	71,049,349	21,347,489	34,261,468	(4,199,902)	122,458,404
Selling and distribution expenses	(10,149,966)	-	(2,631,975)	-	(12,781,941)
General and administrative expenses	-	-	-	(21,558,000)	(21,558,000)
Operating profit	60,899,383	21,347,489	31,629,493	(25,757,902)	88,118,463
Finance costs	(1,769,372)	(1,058,474)	-	-	(2,827,846)
Other income	-	-	-	576,084	576,084
Profit before zakat and income tax	59,130,011	20,289,015	31,629,493	(25,181,818)	85,866,701
Zakat and income tax	-	-	-	(8,923,063)	(8,923,063)
Net profit for the period	59,130,011	20,289,015	31,629,493	(34,104,881)	76,943,638
Other comprehensive loss for the period	-	-	-	297,351	297,351
Total comprehensive income for the period	59,130,011	20,289,015	31,629,493	(33,807,530)	77,240,989
As at 30 June 2025					
Segment assets	622,095,337	279,750,975	501,695,886	168,137,029	1,571,679,227
Segment liabilities	29,694,441	41,128,428	-	216,506,944	287,329,813
As at 31 December 2024					
Segment assets	620,443,754	261,092,165	518,572,832	98,990,711	1,499,099,462
Segment liabilities	28,266,432	48,985,187	-	169,717,502	246,969,121

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

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

At 30 June 2025

(All amounts in Saudi Riyals unless otherwise stated)

3. SEGMENT REPORTING (continued)

	<i>Al Masane Mine</i>	<i>Mount Guyan Mine</i>	<i>Moyeath Mine</i>	<i>Corporate</i>	<i>Total</i>
For the three-month period ended 30 June 2025:					
Revenue					
Copper	53,937,127	-	35,457,468	-	89,394,595
Zinc	23,736,402	-	40,889,539	-	64,625,941
Gold	13,392,147	97,845,585	-	-	111,237,732
Silver	1,868,095	-	-	-	1,868,095
Total external customers revenue	92,933,771	97,845,585	76,347,007	-	267,126,363
Movement in provisional pricing	(3,857,033)	1,500,901	(6,206,943)	-	(8,563,075)
Revenue, net	89,076,738	99,346,486	70,140,064	-	258,563,288
Direct costs	(60,124,126)	(43,753,044)	(41,950,183)	(2,310,277)	(148,137,630)
Gross profit	28,952,612	55,593,442	28,189,881	(2,310,277)	110,425,658
Selling and distribution expenses	(3,016,348)	(438,296)	(2,945,147)	-	(6,399,791)
General and administrative expenses	-	-	-	(13,007,716)	(13,007,716)
Operating profit	25,936,264	55,155,146	25,244,734	(15,317,993)	91,018,151
Finance costs	(782,790)	(24,332)	(150,688)	-	(957,810)
Profit before zakat and income tax	25,153,474	55,130,814	25,094,046	(15,317,993)	90,060,341
Zakat and income tax	-	-	-	(17,012,720)	(17,012,720)
Net profit for the period	25,153,474	55,130,814	25,094,046	(32,330,713)	73,047,621
Other comprehensive income for the period	-	-	-	940,875	940,875
Total comprehensive income for the period	25,153,474	55,130,814	25,094,046	(31,389,838)	73,988,496

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

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

At 30 June 2025

(All amounts in Saudi Riyals unless otherwise stated)

3. SEGMENT REPORTING (continued)

	<i>Al Masane Mine</i>	<i>Mount Guyan Mine</i>	<i>Moyeath Mine</i>	<i>Corporate</i>	<i>Total</i>
<u>For the three-month period ended 30 June 2024:</u>					
Revenue					
Copper	52,347,136	-	22,375,972	-	74,723,108
Zinc	44,989,160	-	27,456,373	-	72,445,533
Gold	9,175,202	44,587,957	-	-	53,763,159
Silver	2,012,497	-	-	-	2,012,497
Total external customers revenue	108,523,995	44,587,957	49,832,345	-	202,944,297
Movement in provisional pricing	368,352	-	-	-	368,352
Revenue, net	108,892,347	44,587,957	49,832,345	-	203,312,649
Direct costs	(64,166,719)	(33,436,556)	(15,570,878)	(2,692,078)	(115,866,231)
Gross profit	44,725,628	11,151,401	34,261,467	(2,692,078)	87,446,418
Selling and distribution expenses	(4,055,029)	-	(2,631,975)	-	(6,687,004)
General and administrative expenses	-	-	-	(10,508,482)	(10,508,482)
Operating profit	40,670,599	11,151,401	31,629,492	(13,200,560)	70,250,932
Finance costs	(971,676)	(729,747)	-	-	(1,701,423)
Profit before zakat and income tax	39,698,923	10,421,654	31,629,492	(13,200,560)	68,549,509
Zakat and income tax credit	-	-	-	(6,730,748)	(6,730,748)
Net profit for the period	39,698,923	10,421,654	31,629,492	(19,931,308)	61,818,761
Other comprehensive loss for the period	-	-	-	149,224	149,224
Total comprehensive income for the period	39,698,923	10,421,654	31,629,492	(19,782,084)	61,967,985

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
At 30 June 2025
(All amounts in Saudi Riyals unless otherwise stated)

4 MINE PROPERTIES

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Cost:		
At the beginning of the period/year	1,019,316,688	1,262,677,440
Additions during the period/year	55,845,843	180,341,223
Adjustment to deferred mine closure cost	-	(1,373,274)
Transfer to inventories	-	(3,661,366)
Written off during the year	-	(2,060,559)
Transfers to property, plant and equipment	-	(416,606,776)
At the end of the period/year	1,075,162,531	1,019,316,688
Depreciation:		
At the beginning of the period/year	717,208,040	624,533,043
Charge for the period/year	58,422,561	92,674,997
At the end of the period/year	775,630,601	717,208,040
Net book amounts:		
At the end of the period/year	299,531,930	302,108,648

The carrying amount of mine under construction included in mine properties as at 30 June 2025 was SR 16,940,076 (31 December 2024: SR 10,677,895) which represents exploration and evaluation expenses capitalized.

5 PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended 30 June 2025, the Company purchased assets with a cost of SR 16,052,144 (31 December 2024: SR 34,533,266).

The carrying amount of capital work in progress as at 30 June 2025 was SR 17,491,292 (31 December 2024: SR 7,026,072).

The depreciation charge for the six-month period ended 30 June 2024 amounted to SR 58,955,958 (30 June 2024: SR 26,251,860).

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

6 CASH AND CASH EQUIVALENTS

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Bank balances	10,043,596	12,130,555
Cash in hand	86,891	86,640
Restricted cash	-	1,798,688
	10,130,487	14,015,883

7 EQUITY

7.1 Share capital

Share capital of the Company is divided into 90 million shares of SR 10 each as at 30 June 2025 and 31 December 2024.

7.2 Treasury shares

- a) The Company had 1,599,361 treasury shares at the start of the current period. It includes 140,616 market-making shares which have disposed off during the period. The treasury 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 5,100. (31 December 2024: 102,350).
- b) During the year ended 31 December 2024, the Company entered into market making arrangement with Al Rajhi Capital to provide continuous buying and selling of the Company shares in order to support Company's liquidity in shares trading. The agreement was expired during the period. The Company recorded a loss of SR 1,182,879 for the period relating to the market making activity.

7.3 Dividends

On 23 February 2025, the Board of Directors announced the distribution of SR 104.5 million (SR 1.18 per share) for the second half of the year 2024 which represents 11.8% of the nominal value of the shares. On 23 March 2025, the Company distributed the cash dividend.

7.4 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.

During the year ended 31 December 2024, the Company entered into agreement for appointment of new Chief Executive Officer. As per the appointment contract, the Chief Executive Officer is entitled to long term equity settled incentives. These incentives are based on performance based vesting condition entitling 20,000 shares per annum. 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., 1 September 2024.

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

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<i>Equity settled share-based compensation expense:</i>		
Share-based compensation reserve at beginning of the period/year	1,807,951	5,591,482
Share-based compensation expense for the period/year	639,042	4,353,294
Shares issued during the period/year	(405,450)	(8,136,825)
Share-based compensation reserve at the end of the period/year	2,041,543	1,807,951

At 30 June 2025

(All amounts in Saudi Riyals unless otherwise stated)

8 LOANS AND BORROWINGS

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Saudi Industrial Development Fund (SIDF) (note 5)	35,701,716	43,699,601
Less: Current portion shown under current liabilities	(14,000,000)	(15,000,000)
Loans and borrowings under non-current liabilities	21,701,716	28,699,601

- i) The Company obtained 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.
- ii) The commission is payable on the amount of the borrowing drawdowns and is mainly calculated at a market rate plus a margin .
- iii) The loans and borrowings of the Company are shariah compliant. The loans contain certain covenants. A future breach of covenants may lead to renegotiation. The covenants are monitored on a monthly basis by management. In case of potential breach, actions are taken by management to ensure compliance. During the period ended 30 June 2025, there has been no non-compliance with any of the covenants.

9 SHORT TERM BORROWINGS

The company has short term working capital facilities from local banks consisting of short-term loans. The short-term facilities are guaranteed by promissory notes on demand. The commission is payable on the amount of the borrowing drawdowns and is mainly calculated at a market rate plus a margin.

10 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:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period/year	15,716,418	13,951,422
Included in interim condensed statement of profit or loss		
Current service cost	2,317,139	3,354,558
Interest cost	394,962	616,387
	2,712,101	3,970,945
Included in interim condensed statement of other comprehensive income/(loss)		
Actuarial loss / (gain)	650,297	(256,240)
Benefits paid	(1,340,497)	(1,949,709)
Balance at the end of the period/year	17,738,319	15,716,418

	Three-month period ended 30 June		Six-month period ended 30 June	
	2025	2024	2025	2024
Current service cost	1,375,436	838,640	2,317,140	1,677,279
Interest cost on defined benefits obligation	194,125	157,633	394,962	318,536
Actuarial loss/ (gain)	(907,753)	(154,396)	650,297	(231,338)

10 EMPLOYEE BENEFITS (continued)

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

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Discount rate	5.00%	5.25%
Salary increase rate	5.00%	5.00%

11 ZAKAT, INCOME TAX AND DEFERRED TAX

11.1 Zakat

	Three-month period ended 30 June		Six-month period ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Zakat relating to current period	5,001,707	1,412,890	6,427,458	3,026,145
Zakat adjustment relating to previous year	(2,863,944)	671,438	(2,863,944)	671,438
	2,137,763	2,084,328	3,563,514	3,697,583

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

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period/year	6,951,264	6,459,374
Net charge for the period/year	3,563,514	7,575,961
Payments during the period/year	(4,087,320)	(7,084,071)
Balance at the end of the period/year	6,427,458	6,951,264

11.2 Income tax

	Three-month period ended 30 June		Six-month period ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Income tax relating to current period	1,941,639	2,745,455	3,941,947	2,922,397
Income tax adjustment relating to previous year	266,215	679,151	266,215	679,151
	2,207,854	3,424,606	4,208,162	3,601,548

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

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period/year	4,668,741	(1,542,792)
Net charge for the period/year	4,208,162	7,351,941
Payments during the period/year	(5,472,351)	(1,140,408)
Balance at the end of the period/year	3,404,552	4,668,741

11 ZAKAT, INCOME TAX AND DEFERRED TAX (continued)

11.3 Deferred tax

	<i>Three-month period ended 30 June</i>		<i>Six-month period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2025</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Deferred tax relating to current period	683,577	(4,429,626)	1,321,927	(4,027,508)
Deferred tax relating to other comprehensive income	(33,122)	5,172	(93,644)	(66,013)
	<u>650,455</u>	<u>(4,424,454)</u>	<u>1,228,283</u>	<u>(4,093,521)</u>

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

	<i>30 June 2025</i>	<i>31 December 2024</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Balance at the beginning of the period/year	32,317,001	28,511,219
Deferred tax (credit)/ debit during the period/year recognised in interim condensed statement of profit or loss	(1,321,927)	3,737,399
Deferred tax credit to other comprehensive income	93,644	68,383
Balance at the end of the period/year	<u>31,088,718</u>	<u>32,317,001</u>

Status of assessments

Zakat and income tax assessments have been agreed with the Zakat, Tax and Customs Authority (“ZATCA”) up to 2012 and for the years 2021 and 2022. The Company submitted the zakat and income tax return for the year 2024 and obtained the zakat certificate which is valid till 30 April 2026.

12 PROVISION FOR SEVERANCE FEES

	<i>30 June 2025</i>	<i>30 June 2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Severance fees relating to current period	20,055,163	10,304,386
Severance fees relating to prior period	3,433,369	(684,382)
Less: Classified under direct costs	(3,586,128)	(3,968,564)
	<u>19,902,404</u>	<u>5,651,440</u>

The movement of the severance fees for the period ended is as follows:

	<i>30 June 2025</i>	<i>31 December 2024</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Balance at the beginning of the period/year	23,549,994	2,431,448
Net charge for the period / year, net	23,488,532	36,278,547
Paid during the period/ year	(37,135,372)	(15,160,001)
	<u>9,903,154</u>	<u>23,549,994</u>

At 30 June 2025

(All amounts in Saudi Riyals unless otherwise stated)

13 REVENUE, NET

	<i>Three-month period ended 30 June</i>		<i>Six-month period ended 30 June</i>	
	<i>2025 (Unaudited)</i>	<i>2024 (Unaudited)</i>	<i>2025 (Unaudited)</i>	<i>2024 (Unaudited)</i>
Revenue from contracts with customers:				
Copper concentrate	89,394,595	74,723,108	156,945,943	119,581,756
Zinc concentrate	64,625,941	72,445,533	133,494,774	107,254,021
Precious metals	113,105,827	55,775,656	188,811,110	110,817,253
	267,126,363	202,944,297	479,251,827	337,653,030
Movement in provisional pricing adjustments during the period	(8,563,075)	368,352	(916,141)	159,137
	258,563,288	203,312,649	478,335,686	337,812,167

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

At 30 June 2025

(All amounts in Saudi Riyals unless otherwise stated)

14 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:

<i>Related party</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>Transactions Three-month period ended 30 June</i>		<i>Transactions Six-month period ended 30 June</i>	
			<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
Najran Cement Company	Other related party	Cement supplies	-	155,731	-	281,993
Najran Mineral Water Company Limited	Other related party	Water charges	28,808	8,505	45,884	37,571

Key management compensations

Compensation for key management is as follows:

	<i>Three-month period ended 30 June</i>		<i>Six-month period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
Salaries and other benefits	1,806,038	1,738,750	3,612,076	3,477,500
End of service benefits	11,862	15,776	40158	24,623
	1,817,900	1,754,526	3,652,234	3,502,123

15 CONTINGENCIES AND COMMITMENTS

Contingencies

- The Company has bank guarantees of SR 15,311,484 as at 30 June 2025 (31 December 2024: SR 9,311,484).
- During the year ended 31 December 2024, a labor case was filed against the Company by a former employee. The management is of the opinion that this case will not have a significant adverse impact on the financial position of the Company or its future results.
- During 2024, a legal dispute was raised against the Company by a contractor for reconciliation of their contract balances. Subsequent to the period ended 30 June 2025, the case has been dismissed by the court on 23 July 2025 in the favor of the Company.

Commitments

At 30 June 2025, the Company has future commitments amounting to SR 204 million (31 December 2024: SR 143 million).

16 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 period. The earnings per share calculation is given below:

	<i>Three-month period ended 30 June</i>		<i>Six-month period ended 30 June</i>	
	2025	2024	2025	2024
Net profit for the period attributable to ordinary shareholders	73,047,621	61,818,761	128,287,270	76,943,638
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	88,544,036	88,465,328	88,544,036	88,465,328
Basic and diluted earnings per ordinary share	0.82	0.70	1.45	0.87

Potential ordinary shares during the period ended 30 June 2025 relates to employees' share-based compensation in respect of employee share plans that were awarded to the Company's eligible employees under those plans terms (note 7.4). These share plans did not have a significant dilution effect on basic earnings per share for the period ended 30 June 2025 and for the year ended 31 December 2024.

17 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.

17 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

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.

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 30 June 2025 and year ended 31 December 2024, 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 30 June 2025 and 31 December 2024, the carrying amounts of loans and borrowings were not materially different from their calculated fair values.

18 COMPARATIVE FIGURES

Management has reassessed the classification of severance fees computed on the basis of "Equivalent of 20% of hypothetical income net of proportionate zakat due to ZATCA" as per the Mining Investment Law as issued via Ministerial Resolution No. 1006/1/1442 dated 9 Jumada Al-Awwal 1442H (corresponding to 17 April 2021). Accordingly, based on management's assessment, these fees qualify under IAS 12 "Income Taxes" and are to be disclosed after "profit before zakat, income tax and severance fees". Consequentially, prior year severance fees amounting to SAR 5.6 million has been reclassified from direct costs to severance fees caption to conform with the current year presentation. Such reclassification changes do not affect previously reported profit or equity.

Reclassification in the statement of profit or loss and other comprehensive income and statement of cash flows for the period ended 30 June 2024 is summarised below:

	<i>As previously reported SR</i>	<i>Reclassification SR</i>	<i>As currently reported SR</i>
<i>Six-month period ended 30 June 2024</i>			
<i>Statement of profit or loss and other comprehensive income</i>			
Direct costs	(221,005,203)	5,651,440	(215,353,763)
Severance fees	-	(5,651,440)	(5,651,440)
<i>Three-month period ended 30 June 2024</i>			
<i>Statement of profit or loss and other comprehensive income</i>			
Direct costs	(121,517,671)	5,651,440	(115,866,231)
Severance fees	-	(5,651,440)	(5,651,440)
<i>Six-month period ended 30 June 2024</i>			
<i>Statement of cash flows</i>			
<i>Cash flows from operating activities</i>			
Profit before zakat, income tax and severance fees	80,215,261	5,651,440	85,866,701
Provision for severance fees	9,620,004	(5,651,440)	3,968,564

19 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements have been authorized by the Board of Directors on 29 July 2025G, corresponding to 4 Safar 1447H.