شركة الكروم العمانية
Oman Chromite Company

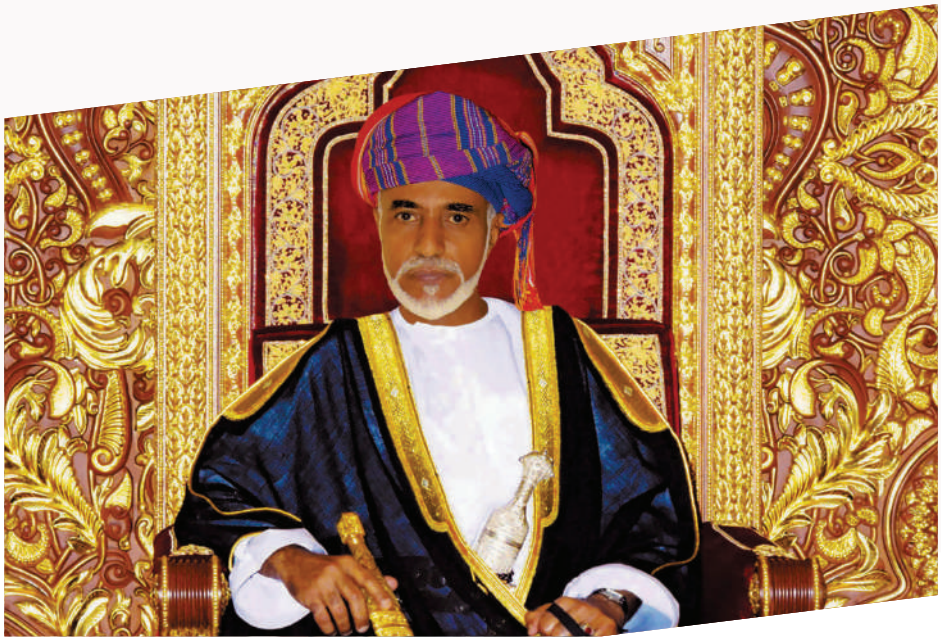
ANNUAL REPORT 2023



We contribute to the economy
Prosperous and sustainable development

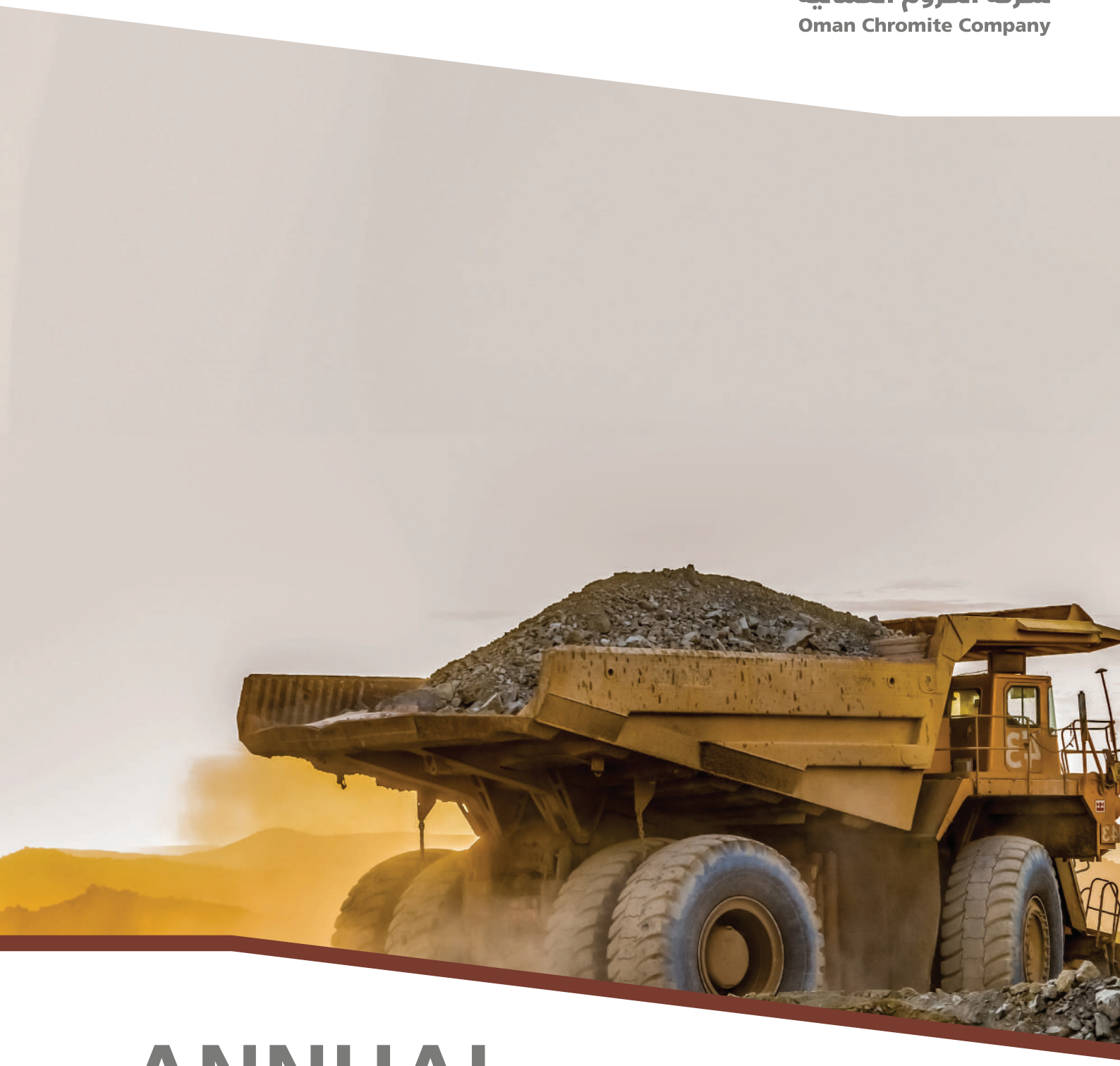


HIS MAJESTY
SULTAN HAITHAM BIN TARIK



HIS MAJESTY
SULTAN QABOOS BIN SAID BIN TAIMUR
-May his soul rest in peace-

شركة الكروم العمانية
Oman Chromite Company



ANNUAL REPORT 2023

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Board of Directors



Mr.
Humaid bin Masoud bin Ali AL Maqbali

Chairman



Mr.
Ali bin Abdullah bin Ali AL Badi

Board Deputy Chairman

R.N&E Committee Member



Mr.
Nasser bin Saif bin Khalfan AL Mqqbali

Board Member

R.N&E Committee Chairman



Mr.
Haitham bin Ahmed bin Mohammed AL Bahrani

Board Member

R.N&E Committee Member



Mr.
Yousef bin Salman bin Baqer AL Saleh

Board Member

Audit Committee Chairman



Mr.
Rashid bin Salim bin abdullah AL Toqi

Board Member

Audit Committee Member



Mr.
Saif bin Khalife bin Hassan AL Aamri

Board Member

Audit Committee Member

Executive Management



Mr.
Abdulmonem bin Mohammed bin Abdullah AL Murshidi

Chief Executive Officer



Mr.
Rashid bin Saif bin khamis AL Badi

Financial and Admin Affairs and IT Systems Manager



Mr.
Gustavo Brenno

Mining Planning & Business Development Manager



MR.
Eduardo Abrahao

Mine Geology & Exploration Manager



Mr.
Mohammed bin Rashid bin Saif AL balushi

Operation Manager



Mr.
Khlifa bin Said bin Saif AL Alawi

Marketing Manager

Chairman's Report



Dear Shareholders,

On behalf of the Board of Directors of Oman Chromite Company (SAOG), I am pleased to present to you the annual report on the activities and performance of the Company for the financial year ending 31st December 2023.

Exploration and Production

The quantities produced during the year 2023 amounted to about 59,438 tons, compared to a production amount of 105,992 tons during the year 2022, a decrease of %44. The reason for the decrease in production is due to a decrease in ground stock, as the small amount of reserve stock is still one of the most prominent challenges that the company will face after 2024.

However, the company is working hard on several axes to overcome these challenges, as it was able during the year 2023 AD to achieve good exploratory results in the current permit areas, which will enable the company to achieve the targeted production level and satisfactory returns during the year 2024.

The company's acquisition of new sites by the Ministry of Energy and Minerals - which will take some time until the results of exploration and prospecting are verified in the coming years - as well as continuing efforts to obtain other new mining areas with the concerned authorities will enable the company to overcome the situation of decline. Ground stock, God willing.

Marketing

The total quantities sold internally and externally during 2023 amounted to 86,840 tons, an increase of %26 over the company's sales during the year 2022, which amounted to 68,937 tons. The quantities sold locally amounted to 31,570 tons, representing %36 of total sales.

Income and Profits

A- The value of sales for the year 2023 amounted to 5.9 million Omani riyals, compared to 4.5 million Omani riyals in 2022, an increase of %31. This is due to the increase in selling prices during the middle of the year and to the increase in demand and sales quantities as a result of the quality of the company's products and its good reputation among customers.

The total value of sales for the year 2023 amounted to5.9 million Omani riyals, compared to 4.5 million Omani riyals in 2022, an increase

of %31, mainly due to the increase in the company's sales and the good reputation of the company and its products.
B- The net profit after taxation in 2023 amounted to 1,631,775 Omani riyals. compared to net profit after taxation amounting to (1,384,110) Omani riyals in 2022. The increase in net profit is due to the increase in sales and the company's efforts to reduce production costs.

Other Investments

During the year 2023, the company invested in a low-carbon ferrochrome plant project by %20, in addition to the company's bank deposits in commercial banks in the Sultanate.
The total interest on bank deposits during the year 2023 amounted to 129,680 RO, compared to 103,207 RO in 2022. The increase is due to the increase in interest rates on deposits and the increase in the value of deposits.
While the completion of the implementation of the low-carbon ferrochrome plant project was delayed than planned, resulting in book losses amounting to $59,191 in 2023. It is worth noting that the trial operation of the plant actually began in January 2024, as it is expected to compensate for the losses and obtain good returns after commercialization. Factory products, God willing, in the year 2024.

Donations, Grants, and the Local Society Development

The Company continuously supports the community by communicating with the offices of the Walis and Governors and through direct interaction with the citizens of the region. Whereas, %1 of the revenue in 2023 according to the law of minerals was allocated as support to the local community, with an amount of 59,856 Omani riyals.

Thanks, And Gratitude

In the end, we are pleased to extend our thanks and appreciation to the honorable shareholders for their trust and permanent support to the company, to the respected members of the Board of Directors for their efforts and constructive cooperation, and to the executive management of the company and all its employees for their effective efforts during the fiscal year 2023 and the previous years. Looking forward, God willing, to be able to overcome the obstacles and challenges facing the company's and to achieve better future results, God willing.
In this regard, we put pray to God Almighty to perpetuate His Majesty Sultan Haitham bin Tariq - may God protect him - with good health, wellness, and long life, and to perpetuate this country with more progress and development. We also appreciate the efforts made by the wise government to support all sectors in the Sultanate, including the mining sector, in line with Oman's Vision 2040.



Humaid bin Masoud AL Maqbali
Board Chairman

Management Discussion and Analysis report



Introduction

The company achieved good results in 2023 in various fields of its work, as an annual production of more than 59 thousand tons was achieved. The highest sales and highest revenue in the company's history were also achieved.

The company continued to work on strengthening its current position and developing future plans, focusing on key axes, the most important of which is developing the efficiency of its human resources and focusing on exploration and obtaining new sites. The company looks forward to achieving leadership in the field of Omani chrome ore mining with the aim of keeping pace with the aspirations of the Sultanate and its future vision 2040 in the mining sector.

Exploration and Reserve

The company was able to achieve good exploratory results in 2023, which enabled it to produce the quantities planned for production during the year, and sufficient reserve was achieved that will enable the company, God willing, to continue to achieve good production results in 2024. However, the company's limited reserve remains one of the most prominent risks to its future. Accordingly, the company continued to work on several axes to grow at the level of ore reserves. The company continues its efforts to acquire new mining areas and prepare the company to win new mining concession areas according to the current mining investment procedures in the Sultanate. Work is also underway to jointly invest with concession owners wishing to cooperate with Oman Chromite Company and benefit from its experience and capabilities in the field of chrome ore mining. In this context, plans have been developed to raise the company's efficiency and exploration capabilities and work on the use of modern technology in exploration.

Production processes

The amount of production during the year reached 59.4 thousand tons, and although this figure is the second highest production figure in its history, it is significantly lower than the highest production volume achieved in 2022, which amounted to 105 thousand tons. The reason for this drop is the decrease in the ore’s reserves available for production in the company's mines compared to the ore available last

year. On the other hand, despite the decrease in production, the company maintained production costs below 31 riyals per ton, according to predetermined plans. The company's management strives to control production costs by achieving operational excellence in the company's operations and the performance of its employees. The production departments in the company have been prepared for expansion and growth in production to keep pace with the exploration plans that we expect to succeed, and at the same time work is being done on studies to develop production processes to produce deep resources that are not economically feasible to produce by traditional production methods.

Marketing

The company succeeded - thanks to God Almighty - in achieving a record value and quantity of sales considered the highest in the history of the company, as the total amount of sales until the end of 2023 reached about 83 thousand tons at a value of 5,985,630 Omani riyals, compared to sales quantities of about 69 thousand tons worth 4,517,561 Omani riyals during the year 2022.

The company is proud of its relationship and customer confidence in its products, which have been built by creating solid relationships with the company's customers based on credibility and quality. The company's high reputation and continuous demand for its products are one of the most important pillars on which the company builds its plans and future directions

Sustainability and Social Responsibility

The company pays great attention to achieving a positive impact in its areas of operations by controlling the environmental impact associated with mining operations and applying environmentally friendly measures. The relationship with the community is also one of the most important pillars of the company's work in mining areas through effective communication with the community and through community contributions and achieving an Omanization rate of %78 of the total employment in the company in 2023. The company also continues its policy of enhancing its human resources with competencies to be able to face the challenges of the future stage.



Abdulmonem Bin Muhammad Al Murshidi
CEO

About the Company



From **Oman's towering mountains** and its terrain, which bear witness to the diversity of its treasures, a reign began The establishment of the Omani Chrome Company in 1991 as an important step towards developing the sector Mining in the Sultanate of Oman - especially chromium - in which The company's ambitions to contribute to sustainable development and support society in the Sultanate.

Since day one, the company has established its philosophy of creating added value through The amount of local resources and the focus on sustainable development and providing contributions Socially, building strong relationships with all partners and benefiting from mineral wealth in a sustainable and intelligent manner that brings benefit and benefit to shareholders and the country by creating job opportunities for citizens and enhancing value Added local.

Over time, **the company became a pioneer in its field**, achieving its goals and contributing to effectively contribute to the development of the mining industry in the Sultanate of Oman through its commitment to Strict standards of quality, safety and sustainability to ensure that customers' needs are met. Different countries.

We **remain committed to enhancing the quality of our work and our exploration** and work capabilities. To use modern technology in exploration and prospecting operations. Which contributes to improving extraction operations and identifying mining sites. accurately and effectively and expand our exploration portfolio and human capabilities Which represents the true essence of the Omani Chrome Company, Where technicians, engineers, and employees all work as a bridge connecting from the past and the future to achieve a transformation in our journey through greater benefit From available resources and increasing productive capabilities, in addition to financial and economic returns.

Our story is an expression of a sustainable journey towards achieving ambitions and making... With new opportunities, our commitment to embodying the values of innovation, development and... Commitment, sustainability, and balance between economic success and social and environmental impact.

Company Important Events

Issuing of the Royal Decree No. 65/91 for estab - lishing Oman Chromite Company.	1991
Establishing of Oman Chromite Company.	1991
Starting production in Al Ghashabi Mine.	1993
Starting production in Zam 1 Mine.	1994
Starting production in RGR 56 Mine.	1994
Starting production in RG 12 Mine.	1994
Starting production in Zam 2 Mine.	1997
Starting production in Shams Mine.	1999
Fixing and operating the company's crusher.	1999
The company realized the highest quantiy sales (42342).	2003
Issuing of the Royal Decree No. 3/04 to amend some provisions of the Royal Decree No. 65/91.	2004

Adding of the company share to the industry's general index at Capital Market Authority.	2005
The company was honored by Ministry of Manpower and awarded the distinction shield.	2005
Completing the company subscribed capital.	2007
Starting production in Mahra Mine.	2007
Starting production in Mahra Mine.	2009
Award of one Mining License and ٨ Exploration Licenses.	2019
Develop a new strategic plan for the company.	2021
Establishing an exploration department in the company.	2021
Establishment of the Mining Planning and Business Development Department.	2022
The company's production exceeded 100 thousand tons.	2022
Launching a new identity for the company.	2023
Achieving the highest net profits in the company's history It reached ٪٥٥ of the paid-up capital.	2023

Auditor's Report about Corporate Governance Report

DFK INTERNATIONAL

ibn hyan ابـن حيـــان
chartered accountants محـاسبـون قانونيـون

AGREED-UPON PROCEDURES REPORT ON COMPLIANCE OF CODE OF CORPORATE GOVERNANCE BY OMAN CHROMITE COMPANY SAOG

To the Shareholders
Oman Chromite Company SAOG
Sohar, Sultanate of Oman

Purpose of this Agreed-Upon Procedure Report and Restriction on Use and Distribution

Our report is solely for the purpose of assisting the Board of Directors of Oman Chromite Company SAOG ('the Company') in determining whether their Corporate Governance report is in compliance with the Code of Corporate Governance (the "Code") of Capital Market Authority (CMA) of the Sultanate of Oman as prescribed under CMA Circular No. E/2016/10 dated 1 December 2016. This report may not be suitable for another purpose.

Responsibilities of Management and the Board of Directors

The Management and the Board of Directors have prepared the Corporate Governance report ("the Report") and remain solely responsible for it and are also responsible for identifying and ensuring that the contents of the Report comply with the Code. The Management and the Board of Directors have acknowledged that the agreed-upon procedures are appropriate and sufficient for the purpose of the engagement.

Responsibilities of the Practitioner

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 'Agreed-Upon Procedures Engagements'. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Management and the Board of Directors, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures. This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

DFK INTERNATIONAL

ابن حيان محاسبون قانونيون
ibn hyan chartered accountants

Professional Ethics and Quality Management

We have complied with the ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and the independence requirements in Part 4A of the IESBA Code.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and findings

We have performed the procedures described below, which were agreed upon with the Management and the Board of Directors of Oman Chromite Company SAOG on compliance with the Code:

	Procedures	Findings
1	Obtain the report on corporate governance (the report) issued by the Board of Directors and ascertain that it includes, as a minimum, all items and requirements suggested by CMA to be covered by the report, as detailed in Annexure 3 of the Code, by comparing the report with such suggested content in that Annexure.	No exceptions noted.
2	Obtain the details regarding areas of noncompliance with the Code identified by the Company's Board of Directors for the year ended 31 December 2023.	No exceptions noted.

This report relates only to the accompanying Corporate Governance report of the Company to be included in its annual report for the year ended 31 December 2023 and does not extend to the Company's financial statements taken as a whole.

Ibn Hyan Chartered Accountants

Authorized Signatory
Muscat
Sultanate of Oman as on 14 February 2024

ابن حيان محاسبون قانونيون
س.ت رقم: ١٣٤٩٠٩٩
سلطنة عمان
C.R. No. 1349099
Sultanate Of Oman
IBN HYAN CHARTERED ACCOUNTANTS

Corporate Governance Report



1- Company Management Philosophy:

The Company is managed in accordance with the approved Internal Regulations, which are made in compliance with the Company's Regulations and the Code of Corporate Governance which defines the responsibilities of the Board and its committees.

The Board of Oman Chromite Company (SAOG) ("the Company") complies to adopt and support healthy culture regarding the regulation and managing of the Company. So, the members of the Board and the internal committees evaluate to what extent they are committed by procedures and polices connected with this culture and ways to develop it and to check that the Company is applying the principles that are provided in the Regulation Charter of joint stock companies and its amendments related to companies listed on the Muscat Stock Exchange issued by the Capital Market Authority.

2- The Board of Directors:

The Board of Directors of the Company is responsible for directing, and supervising the general polices of the Company. These responsibilities include:

A- To set up the objectives for the production and sales.

B- To approve the strategies that shall be executed to realise these objectives.

C- To pursue continuously the executive administration performance of the Company regarding the drawn-up objectives and to what extent it is confined with the executive polices of those objectives.

2-1- Composition and category of directors

The recent Board consists of seven members who have different and various experiences. They are individually and collectively objective and independent.

The representation of the Board for the year 2023 was as follows: -

1- Seven members representing shareholders elected by the company's ordinary general assembly in accordance with the provisions of the Commercial Companies Law and the company's articles of association.

2- The period of the membership for the elected members is 3 years. They can be re-elected for another period according to the Royal Decree No.2004/3.

The below table shows the representatives post in the Board according to the charter requirements:

Name of the Director	Representing	Category of the Director
Mr. Humaid bin Masoud bin Ali Al-Muqbali – Chairman	Shareholders	Non- Executive & independent
Mr. Ali bin Abdullah bin Ali Al-Badi Vice – Chairman	Shareholders	Non- Executive & independent
Mr. Yousef bin Salman bin Baqer Al-Saleh – Member	Shareholders	Non- Executive & independent
Mr. Haitham bin Ahmed bin Mohammed AL-Bahrani – Member	Shareholders	Non- Executive & independent
Mr. Nasser bin Saif bin Khalfan Al Maqbali - Member	Shareholders	Non- Executive & independent
Mr. Rashid bin Salim bin Abdullah Al Toqi - Member	Shareholders	Non- Executive & independent
Mr. Saif bin Khalifa bin Hassan AL-Aamri – Member	Shareholders	Non- Executive & independent

2-2- Attendance of each director at the Board meeting and the last AGM

The Company had AGM during 2023:
The AGM was held on 2023/03/02 in Sohar.
The below table shows the Board members attendance to the board meeting and the last AGM:

Name of the Director	Board meeting (Number of meetings attended)	Attended last AGM ٢٠٢٣/٠٣/٠٢ (Yes/No)	Number of other Boards/Committees he/she is a Member or Chairperson
Mr. Humaid bin Masoud bin Ali Al-Muqbali	Meetings 8	Yes	None
Mr. Ali bin Abdullah bin Ali Al-Badi	Meetings 8	Yes	None
Mr. Yousef bin Salman bin Baqer Al-Saleh	Meetings 8	Yes	None
Mr. Haitham bin Ahmed bin Mohammed AL-Bahrani	Meetings 8	Yes	None
Mr. Nasser bin Saif bin Khalfan Al Maqbali	Meetings 8	Yes	None
Mr. Rashid bin Salim bin Abdullah Al Toqi	Meetings 8	Yes	None
Mr. Saif bin Khalifa bin Hassan AL-Aamri	Meetings 8	Yes	None

2-3- The Board of Oman Chromite Company (SAOG) has two committees:

1- The Audit Committee
2- The Remuneration, Nomination and Executive Affairs Committee
The below table shows the membership of board members in the committees during the year 2023 as follows:

Name of the Director	Board Committees		
	BOD Committee	Audit Committee	Remuneration, Nomination and Executive Affairs
Mr. Humaid bin Masoud bin Ali Al-Muqbali	Chairman	-	-
Mr. Ali bin Abdullah bin Ali Al-Badi	Board Deputy Chairman	-	Member
Mr. Yousef bin Salman bin Baqer Al-Saleh	Member	Chairman	-
Mr. Haitham bin Ahmed bin Mohammed AL-Bahrani	Member	-	Member
Mr. Nasser bin Saif bin Khalfan Al Maqbali	Member	-	Chairman
Mr. Rashid bin Salim bin Abdullah Al Toqi	Member	Member	-
Mr. Saif bin Khalifa bin Hassan AL-Aamri	Member	Member	-

2.4) Number of board meetings held and dates of meeting

During 2023, the Board of Directors held eight meetings as follows:

Number of meetings	Meeting date	Meeting Place
First meeting	2, February 2023	Muscat
Second meeting	2, March 2023	Sohar
Third meeting	27, April 2023	Sohar
Fourth meeting	23, July 2023	Sohar
Fifth meeting	27, July 2023	Sohar
Sixth meeting	1, October 2023	Sohar
Seventh meeting	19, October 2023	Sohar
Eighth meeting	14, December 2023	Muscat

2-5- Process of nomination of the directors

The nomination for membership in the Board of Directors of Oman Chromite Company (SAOG) is based mainly on the Commercial Companies law of 2019 issued by the Royal Decree No 18/2019 and its amendments and in accordance with the Royal Decree (65/91).

3- Hierarchy of top management:

Eng. Abdul Monem Al Murshidi, CEO

B Eng. Mechanical Engineering from Sultan Qaboos University, with over 25 years' experience as below:

1- Deputy CEO at Vale Oman Pelletizing Company LLC.
2- GM at Gulfstone Company SAOG.
3- Leadership position at Sohar Aluminum LLC.
4- Different leadership roles at PDO

4- Audit Committee and other Committees:

4-1- The Audit Committee

Main functions: -

Review and inform the Board of Directors about the quality and management of the internal accounts system and the reports of the account auditors (internal and external) and the accuracy of the financial information and the appropriateness of the accounting policies and financial control systems, as well as the procedure or approval of a change in any or all of what is mentioned above.

The tasks assigned to the committee according to the company's internal regulations:

1- Following the role of Audit Committee as per Code of Corporate Governance for MSXAA listed companies.
2- Recommending the appointment of the company's internal auditor.
3- Recommending the appointment of the external auditor.
4- Discussion and approval of internal audit plan and report
5- Reviewing and discussing the reports of external auditors with the company's management, and providing the board with the opinion on these reports.
6- Setting standards for auditing and control

The Audit Committee had five meetings during the year 2023 as follows:

Member's name	Post	Number of meetings
Mr. Yousef bin Salman bin Baqer Al-Saleh	Chairman	5 Meetings
Mr. Rashid bin Salim bin Abdullah Al Toqi	Member	5 Meetings
Mr. Saif bin Khalifa bin Hassan AL-Aamri	Member	5 Meetings

4-2- The Remuneration, Nomination and Executive Affairs Committee Main Functions:

1- Following are the role of Remuneration, Nomination and Executive Affairs Committee as per the Code of Corporate Governance for MSXAA listed companies.
2- To supervise the routine works of the Company on behalf of the Board, and to supervise the execution of the internal regulations that regulate the Company's works such as tender regulation and purchase regulation.
3- To assist the shareholder at the Annual General Meeting in the nomination of proficient directors and the election of the most fit for purpose. Moreover, the committee aims to assist the Board in selecting the appropriate and necessary executives for the executive management.

The Committee had five meetings during the year 2023
Details of the members and the Committee meetings are as follows:

Member's name	Post	Number of meetings
Mr. Nasser bin Saif bin Khalfan Al Maqbali	Chairman	5 Meetings
Mr. Ali bin Abdullah bin Ali Al-Badi	Member	5 Meetings
Mr. Haitham bin Ahmed bin Mohammed AL-Bahrani	Member	5 Meetings

5- Remuneration matters:

The total annual amount of remuneration and allowances that were paid to the top six senior employees in the high administration level (salaries, allowances, gratuities) amounted to Rial 362,723 (Three Hundred Sixty-Two Thousand Seven hundred and Twenty-Three).

Nature of- Expense	Amount (RO)
Salaries	229,524
Remuneration	133,199
Total	362,723

Board Remuneration

The total amount of remuneration that were paid for Board amounted to Rail 35,000(Thirty-Five Thousand).

Employment contracts: Expatriate employees are employed on a two-year contract, renewable on mutually acceptable terms. Notice period is generally 1 month or salary in lieu thereof. No severance terms are specified in the contracts.

The Directors of the Board are paid for attending the board meetings and the details of the Board Committees meetings for 2023 are as follows:

Board Member's Name	Remuneration of Members Attending the Meeting			
	Board Meeting	,Remuneration Nomination and Executive Affairs Committee	Audit Committe e Meeting	Total (RO)
Mr. Humaid Masoud AlMuqbali	7,600	-	-	7,600
Mr. Ali bin Abdullah bin Ali Al-Badi	5,600	2,500	-	8,100
Mr. Yousef bin Salman bin Baqer Al-Saleh	5,600	-	3,250	8,850
Mr. Haitham bin Ahmed bin Mohammed AL-Bahrani	5,600	2,500	-	8,100
Mr. Nasser bin Saif bin Khalfan Al Maqbali	5,600	3,250	-	8,850
Mr. Rashid bin Salim bin Abdullah Al Toqi	5,600	-	2,500	8,100
Mr. Saif bin Khalifa bin Hassan AL-Aamri	5,600	-	2,500	8,100
Total	41,200	8,250	8,250	57,000

6- Details of non-compliance by the Company:

The Company has never breached the laws provided by the charter or the requirements that are imposed by the supervision authorities, The Company has never been punished for any accusations.

7- Communication with the Shareholders and Investors:

The Board of Directors is very careful to spread out the essential information that are connected with the Shareholders and the Investors. The Company has a web-site (www.Omanchromite.com), which provides all information about Company's products and other different statements.

The quarterly results of the Company's operations are published in the main Arabic and English newspapers in Oman. The annual report along with fiscal financial statements summary are sent by registered post to the shareholders along with the invitation for the coming Annual General Meeting.

The company's management also communicates with the media and investors through the semi-annual meeting through a video meeting, according to the instructions of the Capital Market Authority.

8- Market Price statements:

High/ low during the financial year with MSXAA index for industrial sector.

Period	Opening Price	Highest Price	Lowest Price
2023 ,30 Jan	2.4000	2.4000	2.4000
2023 ,12 Feb	2.6400	2.7000	2.6400
2023 ,30 Mar	2.4300	2.4300	2.4300
2023 ,30 Apr	3.3000	3.3000	3.3000
2023 ,29 May	3.5000	3.5000	3.5000
2023 ,25 Jun	3.5000	3.6000	3.5000
2023 ,31 Jul	4.6000	4.6000	4.5000
2023 ,28 Aug	5.1000	5.1500	5.1000
2023 ,27 Sep	5.0000	5.0000	5.0000
2023 ,29 Nov	4.7000	4.7980	4.7000

Note that there is no trading in the months not mentioned in the above table.

9- Dividend for the year 2023:

The Board of Directors in its meeting held on 11 February 2024 has proposed the distribution of dividends to shareholders at a rate of %20 of the paid-up capital, distributed at a rate of %10 cash dividends and %10 bonus shares. proposed a cash dividend of 200 baizas per share.

10- Distribution of the Company's shareholders allocation:

The following are the main shareholders who have (%5) or more shares of the Company's capital.

Particulars	Percentage shareholding
Minerals Development Oman SAOC	%15.43
Mohamed Al Barwani Holding LLC	%13.67
Mohammad Moosa Abdullah Al Yousuf	%12.727
Oman Mining Company LLC	%10
Al Qurum Establishment LLC	%10
Al Munomh Establishment LLC	%5
Royal Oman Police Pension fund	%5

11- Specific matters regarding the non-compliance with the provisions of regulations and managing the Company

-None.

12- Professional Profile of the Statutory Auditors:

The shareholders of the Company have appointed Ibn Hyan Chartered Accountants as the auditors for the year 2023 with a total Fees of RO 3,000. Founded in the Sultanate in 1990, Ibn Hyan Chartered Accountants is fully licensed to practice audit, accounting, and associated business services. Ibn Hyan is an independent member firm of DFK International, one of the world's most expansive accounting networks, that bring global expertise and reach to their clients. DFK International encompasses 204 member firms across 90 countries, with a presence in 467 offices worldwide.

Ibn Hyan Chartered Accountants is accredited by the Capital Market Authority (CMA) to audit joint stock companies (SAOG's). As per 12th Principle (para 2) of the Code of Corporate Governance and is eligible for reappointment as per MSXAA & CMA Regulation.

13- Any other aspects:

The Board of Directors acknowledge that:

1- The internal control systems are regularly reviewed and comply with internal rules and regulations.

2- The Board of Directors are responsible to ensure that the financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting interpretations Committee (IFRIC) and the requirements of the Companies law of 2019 of the Sultanate of Oman and the Rules and Guidelines for Disclosure Requirements prescribed by the Capital Market Authority.

3- There are no material events affecting the continuation of the Company and its ability to continue its production and operations during the next financial year.



Humaid Al Muqbali
Chairman of the Board

Independent Auditor's Report

DFK INTERNATIONAL

ibn hyan ابـن حيـــان
chartered accountants محـاسبون قانونيـون

The Shareholders
Oman Chromite Company SAOG
Sohar
Sultanate of Oman

Opinion

We have audited the financial statements of Oman Chromite Company SAOG ('the Company'), which comprise the statement of financial position as at 31 December 2023, and the statement of 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 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA 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 our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	How our audit addressed the key audit matter
Valuation of inventories (refer note 9) As at 31 December 2023, the carrying value of the Company's chromite ore was RO 1,416,768 as disclosed in Note 9 to the financial statements. We consider this area as a key audit matter due to the materiality and significant judgments involved with regard to value, grades, volume and quality.	Our procedures included, amongst others: • Verified the physical exi ence of inventories by attending the survey process and procedures as part of our site visit; • Agreed the grading of chromite ore included in the inventory valuation; • Assessed the competence and objectivity of the expert used by management for the preparation of the technical reports; • Reviewed the monthly production reports to ensure the accuracy of the quantity produced and the cost of production; and • Evaluated the available market prices at the end of reporting period to estimate and compare the net realizable values.

Other matters

The financial statements of the company for the year ended 31 December 2022, were audited by another auditor who expressed an unqualified opinion on those statements on 27 January 2023.

Other information

The management is responsible for other information. The other information comprises the information included in the Company's 2023 Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

The company's management is responsible for the preparation and fair presentation of the

financial statements in accordance with IFRSs and the disclosure requirements of the Capital Market Authority and the Commercial Companies Law of the Sultanate of Oman, and for such internal control as management 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, management 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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance 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 ISAs 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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, related safeguards.

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.

Report on other legal and regulatory requirements
In our opinion the financial statements of the company for the year ended 31 December 2023 also comply, in all material respects with the relevant disclosure requirements of the Commercial Companies Law of the Sultanate of Oman, and the relevant disclosure requirements for Public Joint Stock Companies issued by the Capital Market Authority.

Ibn Hyan Chartered Accountants

S. Gomathisankaran
Engagement partner

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س.ت رقم: ١٣٤٩٠٩٩
سلطنة عمان
C.R. No. 1349099
Sultanate Of Oman
IBN HYAN CHARTERED ACCOUNTANTS

Muscat
Sultanate of Oman as on
14 February 2024
Membership no. 2048

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 RO	2022 RO
ASSETS			
Non-current assets			
Plant and equipment	44	870,163	629,205
Intangible assets	5	560,051	336,693
Guarantee deposits	6	152,000	92,000
Investment in associates	7	440,809	500,000
Term deposits	12	2,750,000	-
Total non-current assets		4,773,023	1,557,898
Current assets			
Investments at fair value through profit or loss	8	5,037	3,293
Inventories	9	1,416,768	1,379,936
Trade and other receivables	10	215,807	526,866
Loan to associate	11	115,452	-
Term deposits	12	250,000	2,050,000
Cash and bank balances	13	822,469	660,420
Total current assets		2,825,533	4,620,515
Total assets		7,598,556	6,178,413
EQUITY AND LIABILITIES			
Equity			
Share capital	14	3,000,000	3,000,000
Legal reserve	15	1,000,000	950,970
Optional reserve	16	114,148	-
Retained earnings	17	1,813,851	945,254
Total equity		5,927,999	4,896,224
Liabilities			
Non-current liabilities			
Employees' end of service benefits	18	51,020	32,134
Deferred tax liability	19	59,857	39,087
Total non-current liabilities		110,877	71,221
Current liabilities			
Trade and other payables	20	1,200,383	1,016,092
Income tax payable	19	359,297	194,876
Total current liabilities		1,559,680	1,210,968
Total liabilities		1,670,557	1,282,189
Total equity and liabilities		7,598,556	6,178,413
Net assets per share	21	1.976	1.632

These financial statements were approved and authorised for issue by the Board of directors on 11 February 2024 and are signed on their behalf by:

Board chairman

Audit Committee Chairman

Independent Auditors' Report on pages 1 to 3
The notes set out on pages 8 to 28 form part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 RO	2022 RO
Revenue	22	5,985,630	4,517,561
Cost of revenue	23	(2,615,556)	(1,750,713)
Gross profit		3,370,074	2,766,848
Other income	24	654	62,553
Salaries and other related staff costs	25	(438,427)	(416,033)
Selling and distribution expenses	26	(695,338)	(524,317)
General and administrative expenses	27	(332,754)	(325,164)
Finance charges	28	(8,277)	(9,854)
Profit from operations		1,895,932	1,554,033
Share of loss of an associate	7	(59,191)	-
Unrealised fair value gain / (loss) on investments at fair value through profit or loss	8	1,744	(975)
Interest income	29	129,680	103,207
Profit for the year before taxation		1,968,165	1,656,265
Income tax	19	(336,390)	(272,155)
Profit and total comprehensive income for the year		1,631,775	1,384,110
Basic earnings per share	30	0.544	0.461

Independent Auditors' Report on pages 1 to 3
The notes set out on pages 8 to 28 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2023

	Share capital RO	Legal reserve RO	Optional reserve RO	Retained earnings RO	Total RO
At 1 January 2022	3,000,000	812,559	-	(300,445)	3,512,114
Profit for the year	-	-	-	1,384,110	1,384,110
Transfer to legal reserve	-	138,411	-	(138,411)	-
At 31 December 2022	3,000,000	950,970	-	945,254	4,896,224
At 1 January 2023	3,000,000	950,970	-	945,254	4,896,224
Profit for the year	-	-	-	1,631,775	1,631,775
Transfer to reserve	-	49,030	114,148	(163,178)	-
Dividend paid during the year	-	-	-	(600,000)	(600,000)
At 31 December 2023	3,000,000	1,000,000	114,148	1,813,851	5,927,999

STATEMENT OF CASH FLOW AS AT 31 DECEMBER 2023

	2023 RO	2022 RO
Cash flows from operating activities		
Profit for the year before taxation	1,968,165	1,656,265
:Adjustments for		
Depreciation	88,797	62,509
Amortisation of intangible assets	457,550	659,262
Impairment loss on intangible assets	101,000	-
Unrealised (gain) / loss on investments at fair value through profit or loss	(1,744)	975
Share of loss in associate	59,191	-
Gain on disposal of plant and equipment	-	(61,985)
Interest income	(129,680)	(103,207)
Provision for employees' end of service benefit	18,886	10,490
Finance charges	8,277	9,854
Cash from operations before working capital changes	2,570,442	2,234,163
decrease in inventories/(Increase)	(36,832)	(546,742)
Increase in trade and other receivables	195,607	(339,397)
Increase in trade and other payables	184,291	541,805
Cash generated from operations	2,913,508	1,889,829
Income tax paid	(151,199)	(110,920)
Net cash from operating activities	2,762,309	1,778,909
Cash flows from investing activities		
Purchase of plant and equipment	(329,755)	(426,861)
Proceeds from disposal of plant and equipment	-	61,985
Investments in associates	-	(500,000)
Cost incurred on intangible assets	(781,908)	(847,322)
Adjustments in investments at fair value through profit or loss	-	(51)
Guarantee deposits	(60,000)	-
Net movement in term deposits	(950,000)	-
Interest income	129,680	103,207
Net cash used in investing activities	(1,991,983)	(1,609,042)
Cash flows from financing activities		
Dividend paid	(600,000)	-
Finance charges	(8,277)	(9,854)
Net cash used in financing activities	(608,277)	(9,854)
Net change in cash and cash equivalents during the year	162,049	160,013
Cash and cash equivalents at the beginning of the year	660,420	500,407
Cash and cash equivalents at the end of the year	822,469	660,420

NOTES TO FINANCIAL STATEMENTS 31 DECEMBER 2023

1.Legal status and principal activities

Oman Chromite Company SAOG ('the Company') was incorporated in accordance with Royal Decree No. 91/65 dated 18 June 1991 for the purpose of mining and marketing of chromite ore. The Company was incorporated as a public joint stock company in the Sultanate of Oman in the year 1992 and commenced commercial operations in the year 1993.

The Company's principal place of business is located at Sohar, Sultanate of Oman.
The Company has %70 interest in a Company, Al Batinah Chromium Mining Company LLC with Share Capital of RO 5,000, which has not commenced operations since its date of incorporation of 19 April 2020.

The Company has purchased 500,000 shares which represents %20 shareholding in Gulf Alloys and Metals (FZC) LLC "the Associate" with a share capital of RO 2,500,000 at an amount of RO 500,000 as per the share purchase agreement dated 27 October 2022.

The Company has entered into a joint arrangement with Minerals development of Oman to share the cost of exploration, evaluation and feasibility phases of the two sites, Liwa and Mahadha as per the agreement dated 06 June 2022. The Company's contribution of the costs have been disclosed in the note 5 (b).

2.Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), the relevant requirements of the Commercial Companies Law of 2019 of the Sultanate of Oman, and the relevant Rules and Guidelines on Disclosure as issued by the Capital Market Authority (CMA).

Basis of measurement

The financial statements have been prepared on the historical cost convention and going concern assumption, modified for certain assets and liabilities which are stated at their fair values as required by the IFRS. The preparation of financial statements is in conformity with IFRS that requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies.

Functional currencies

The financial statements are presented in Omani Rial (RO), which is the functional and reporting currency for the financial statements. All figures have been rounded off to the nearest RO, unless otherwise stated.

New standards, amendments and interpretations to existing IFRS effective 1 January 2023

The financial statements have been prepared based on IFRS effective for the accounting periods beginning on or after 01 January 2023. The Company has adopted these standards for the first time for the annual period beginning from 01 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Standards/ amendments to standards	Effective beginning on or after
Disclosure of Accounting Policies (Amendments to IAS 1)	1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)	1 January 2023

Standards, amendments and interpretations to existing IFRS that are not yet effective

Certain new standards, amendments and interpretations to existing IFRS have been published that are not effective and mandatory for the Company's accounting period commenced on 1 January 2023, which management has decided to adopt from the applicable periods:

Standards/ amendments to standards	Effective date
Non-current Liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024
Lack of Exchangeability – Amendments to IAS 21	1 January 2025

Management believes that adoption of the above new standards and amendments is not likely to have any material impact on the presentation and disclosure of items in the financial statements for future periods.

3.Material accounting policies

A.Revenue

Revenue is measured based on the consideration specified in a contract with a customer. Revenue is recognised when control of the products has transferred, being when the products are delivered to the customers, the recovery of the consideration is probable and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

B.Other income

Other income earned by the Company is recognized on the accrual basis, or when the Company's right to receive payment is established, unless recovery is doubtful.

C.Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and any impairment in value. Cost includes all costs directly attributable to bringing the asset to working condition for their intended use.
Depreciation is calculated in accordance with the straight-line method to write-off the cost of each asset to its estimated residual value over its useful economic life.
Depreciation has been calculated from the date of acquisition for the following number of years:

Mining equipment	15-5 years
Motor vehicles	10-5 years
Furniture, fixtures and office equipment	5-3 years

Expenditure incurred to replace a component of an item of plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written-off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of plant and equipment. All other expenditure is recognised in the statement of profit or loss and other comprehensive income as the expense is incurred.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses 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 and other comprehensive income in the year the asset is derecognised.

D.Intangible assets

Intangible assets include expenses incurred on exploration and development costs, stripping activities on mines and computer software which are capitalised. Intangible assets are stated at cost less accumulated amortisation and impairment losses.

The Company assesses the stage of either each mine exploration or under development to determine when a mine moves into the production phase, this being when the mine is substantially complete and ready for its intended use. The criteria used to assess the start date is determined based on the unique nature of each mine exploration and development, 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 development costs' to 'stripping activity asset'.

The stripping activity asset capitalised includes amount spent until the time the mines are ready for commercial production, including directly attributable overhead costs. The stripping activity asset is amortised on a systematic basis over the estimated useful life of the respective mines, which generally ranges between 2 and 3 years.

Subsequent expenses incurred after the mine has been brought into commercial production are expensed as incurred, except for significant stripping activity expenses, which are deferred and amortised over the period of extraction of the remaining reserves of the respective mine. Any amount of the unamortised balance of the stripping activity asset, which cannot be recovered from the expected future economic benefit, is written-off immediately as and when identified.

Computer software is amortised over a period of 3 years

E.Exploration and evaluation of assets - Recognition and measurement

The Company accounts for exploration and evaluation ("E&E") costs, having regard to the requirements of IFRS 6 "Exploration for and Evaluation of Mineral Resources". E&E costs include costs incurred after the Company has obtained legal rights to explore in a specific area and costs incurred before the technical feasibility and commercial viability of extracting a mineral resource is demonstrable. Costs for exploring for and evaluating of mineral resources are capitalised and tested for impairment when facts and circumstances suggest that the carrying amount of an E&E asset may exceed its recoverable amount. Once the technical feasibility and commercial viability of extracting a mineral resource are demonstrated, E&E assets are tested for impairment and transferred to and are treated under stripping activity assets.

E&E costs may include cost of acquisition of exploration rights, technical services and surveying, geological, geochemical and geophysical, exploratory drilling, excavations, sampling and administration expenses, including remuneration of production personnel and supervisory management and the projected costs of retiring the assets (if any), but do not include general prospecting or evaluation costs incurred prior to having obtained the legal rights to explore an area, which are expensed directly to the profit or loss as they are incurred.

F.Investment in associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between %20 and %50 of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Company's investment in associates includes goodwill identified on acquisition. Any excess over the fair value of net asset acquired in an acquisition is recognised as a 'bargain gain' and included in the statement of comprehensive income for the period in which the acquisition is completed.

The Company's share of post-acquisition profit or loss is recognised in the statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to 'share of profit/(loss) of an associate' in the income statement.

G.Financial instruments

Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. 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.

Financial assets

The Company determines the classification of its financial assets at initial recognition. The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

(i) Classification

The financial assets are classified in the following measurement categories:

a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and

b) those to be measured at amortised cost.
For assets measured at fair value, gains and losses will either be recorded in the Company's statement of profit and loss or other comprehensive income. For investments in equity instruments, the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss.

(ii) Measurement
At initial recognition, the Company 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 that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit or loss and other comprehensive income as incurred.

The Company has classified fair value measurements on a recurring basis using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:
- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

If the Company elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments shall continue to be recognised in the statement of profit or loss and other comprehensive income as other income when the Company's right to receive payments is established. There are no impairment requirements for equity investments measured at fair value through other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss shall be recognised in other gains/(losses) in the statement of profit or loss and other comprehensive income. The Company has elected to present fair value gains or losses on equity investments in the profit or loss.

(iii) De-recognition of financial assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(iv) Impairment of financial assets

The Company applies ECL model for measurement and recognition of impairment loss on the financial assets. ECL are the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the Company expects to receive. The ECL considers the amount and timing of payments and, hence, a credit loss arises even if the Company expects to receive the payment in full but later than when contractually due. The ECL method requires assessing credit risk, default and timing of collection since initial recognition. This requires recognising allowance for ECL in the statement of profit or loss and other comprehensive income even for receivables that are newly originated or acquired.

Trade receivables are of a short-duration, normally less than 12 months and hence the Company uses the practical expedient in IFRS 9 for measuring ECL for trade receivables using a provision matrix based on ageing of the trade receivables.

The Company uses historical loss experience and derived loss rates based on the past twelve months and adjusts the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the ageing of the amounts that are past due and are generally higher for those with the higher ageing.

(v) Income recognition

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets, interest income is recognised using the EIR, which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan or receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial assets is recognised using the original EIR.

Financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. The classification depends on the business model for managing the financial liabilities and the contractual terms of the cash flows.

(i) Classification

The financial liabilities are classified in the following measurement categories:

a) those to be measured as financial liabilities at fair value through profit or loss; and
b) those to be measured at amortised cost.

(ii) Measurement
All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Company does not trade in any financial liabilities and does not classify or measure any financial liabilities as at fair value through profit or loss. Consequently, all financial liabilities are classified and subsequently measured at amortized cost.

The Company's financial liabilities include trade and other payables which are measured at amortised cost.

(iii) Derecognition of financial liabilities
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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

H.Impairment of non-financial assets

The carrying amount of the Company's assets or its cash generating unit, other than financial assets, are reviewed at each statement of financial position date to determine whether there is any indication of impairment. A cash generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other asset and groups. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset or a cash generating unit is the greater of its value in use or fair value less costs to sell. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income. Impairment losses are reversed only if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

I.Inventories

Inventories comprise stock of chromite ore and spares that are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises of direct costs of mining/purchase price of spares, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to be incurred in selling and distribution.

J.Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and bank balances, net of bank overdrafts. Bank overdrafts are shown as part of current liabilities in then statement of financial position.

K.Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

L.Employees' benefit liabilities

The provision for employees' terminal benefits is based upon the liability accrued in accordance with the terms of employment of the College's employees at the reporting date with regard to the requirements of the Oman Labour Law and the Social Security Law, issued by the way of Royal Decree 2023/53, dated 25 July 2023.

Government of Oman Social Insurance Scheme (the Scheme)

The company contributes to the Scheme for all Omani employees. The Scheme, which is a defined contributions retirement plan, is administered by the Government of Oman. The company and Omani employees are required to make monthly contributions to the Scheme at %12.5 and %8 respectively, of gross salaries.

Non-Omani employee terminal benefits

The provision for end of service benefits for non-Omani employees upto the previous reporting period was made in accordance with the requirements of the Oman Labour Law of 2003. Employees are entitled to end of service benefits calculated at the rate of 15 days basic salary for each of the first three years of continuous service and at a rate of 30 days basic salary for each year of continuous service following the first three years.

However, the employees hired earlier than 2002 are entitled to end of service benefits calculated at the rate of 30 days basic salary for each year of continuous service following the date of joining.

During the year, the provision is made as per the requirements of the Oman Labour Law of 2023. Accordingly, the employees are entitled to end of service benefits calculated at the rate of 30 days basic salary for each of the year of continuous service following the date of joining.

This is an unfunded defined benefits retirement plan. Accrued non-Omani staff terminal benefits are payable on termination of employment.

M.Borrowings costs

Borrowing costs are expensed in the period in which they are incurred. However borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset till such time as the asset is put to commercial use. Thereafter all the borrowings costs are expensed. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

N.Leases - the Company as lessee

The Company assesses whether a contract is or contains a lease, at the inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

O.Directors' remuneration

The Company follows the Commercial Companies Law of 2019 of the Sultanate of Oman, and other latest relevant directives issued by CMA, in regard to determination of the amount to be paid as Directors' remuneration. Directors' remuneration is charged to the statement of profit or loss and other comprehensive income in the year to which they relate.

P.Dividend

The Board of Directors recommends to the shareholders the dividend to be paid out of the Company's net profits. The Directors take into account appropriate parameters including the requirements of the Commercial Companies Law of 2019 of the Sultanate of Oman while recommending the dividend. Dividend distribution is recognised as a liability in the period in which the dividends are approved by the Company's shareholders.

Q.Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, whose operating results are reviewed regularly by the Company's chief operating decision maker to make decisions about resources allocated to the segment and assess its performance, and for which discreet financial information is available. Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

R.Foreign currencies

Foreign currency transactions are accounted for at the rates of exchange prevailing at the dates of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation, at the year-end rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of profit or loss and other comprehensive income. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the end of the year. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date when the carrying value was determined.

S.Income tax

Income tax is provided for in accordance with the fiscal regulations of the Sultanate of Oman. Current tax is recognised in the statement of profit or loss and other comprehensive income as the expected tax payable on the taxable income for the year, using tax-rates enacted or substantially enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred taxation is provided using the balance sheet liability method on all temporary differences at the reporting date. It is calculated adopting a tax-rate that is the rate that is expected to apply to the periods when it is anticipated the liabilities will be settled, and which is based on tax-rates (and laws) that have been enacted at the statement of financial position date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

T.Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on certain methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

U.Critical accounting estimates and key source of estimation uncertainty

Preparation of financial statements in accordance with IFRS requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The determination of estimates require judgments which are based on historical experience, current and expected economic conditions, and all other available information. Actual results could differ from those estimates. The most significant areas requiring the use of management estimates and assumptions in these financial statements relate to:

Economic useful lives of plant and equipment

The Company's plant and equipment are depreciated on a straight-line basis over their economic useful lives. The economic useful lives of plant and equipment are reviewed periodically by management. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Company.

Economic useful life of intangible assets

Intangible assets are amortized on a straight-line basis over their economic useful lives. The economic useful lives of intangible assets are reviewed periodically by management. The review is based on the current condition of the intangible assets and the estimated period during which they will continue to bring economic benefit to the Company.

Stripping activity assets / Exploration and Evaluation assets

The Company assesses the stage of each mine under development/construction to determine when a mine moves into the production phase, this being when the mine is substantially complete and ready for its intended use.

The criteria used to assess the start date is 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. 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 mines plant and equipment
- Ability to produce chromite ore in saleable form (within specifications)
- Ability to sustain ongoing production of chromite ore

When a mine development project moves into the production phase, the capitalization 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 capitalization relating to mining asset additions or improvements, underground mine development or mineable reserve development. It is also at this point that depreciation/amortization commences.

Valuation and impairment of inventories
The carrying value of chromite ore stocks is a significant area of judgement by management, including determining estimates of future chrome prices, future processing costs, ore grades, volume and quality. The Company creates an impairment provision for obsolete and slow-moving inventories. Estimates of net realizable value of inventories are based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly relating to events occurring subsequent to the statement of financial position date to the extent that such events confirm conditions existing at the end of the reporting period.

Impairment losses on trade receivables
Trade receivables are stated at their amortized cost as reduced by appropriate provision for ECL for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the trade receivable balances and historical experience adjusted appropriately for the future expectations. Individual trade receivables are written-off when management deems them not to be collectible.

Going concern
The management reviews the financial position of the Company on a periodical basis and assesses the requirement of any additional funding to meet the working capital requirements and estimated funds required to meet the liabilities as and when they become due.

Contingencies
By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Taxation
Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and nature of the existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to the assumptions, could necessitate future adjustments to taxable income and expenses already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of finalisation of tax assessments of the Company. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible taxation authority.

Fair value measurements
A number of assets and liabilities included in the Company's financial statements have been measured at fair value. The fair value measurement of the Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. The classification of an item into the level 1, level 2 and level 3 hierarchy is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

4.Plant and equipment

	Mining equipment RO	Motor vehicles and trucks RO	Furniture, fixtures and office equipment RO	Total RO
Cost				
At 1 January 2022	1,578,560	598,099	142,889	2,319,548
Additions	360,513	40,525	25,823	426,861
Disposals	(341,938)	(72,750)	(47,183)	(461,871)
At 31 December 2022	1,597,135	565,874	121,529	2,284,538
At 1 January 2023	1,597,135	565,874	121,529	2,284,538
Additions	230,500	65,065	34,190	329,755
Disposals	-	-	-	-
At 31 December 2023	1,827,635	630,939	155,719	2,614,293
Depreciation				
At 1 January 2022	1,460,907	467,017	126,771	2,054,695
Charge for the year	32,220	21,756	8,533	62,509
Relating to disposals	(341,938)	(72,750)	(47,183)	(461,871)
At 31 December 2022	1,151,189	416,023	88,121	1,655,333
At 1 January 2023	1,151,189	416,023	88,121	1,655,333
Charge for the year	46,948	28,869	12,980	88,797
Relating to disposals	-	-	-	-
At 31 December 2023	1,198,137	444,892	101,101	1,744,130
Net book value				
At 31 December 2023	629,498	186,047	54,618	870,163
At 31 December 2022	445,946	149,851	33,408	629,205

The depreciation charge has been allocated in the statement of comprehensive income as follows:

	2023 RO	2022 RO
Cost of revenue (note 23)	85,651	59,704
General and administrative expenses (note 27)	3,146	2,805
	88,797	62,509

5.Intangible assets

Cost	Exploration and evaluation assets RO	Stripping activity assets RO	Computer software RO	Total RO
At 1 January 2022	289,180	1,015,716	6,000	1,310,896
Additions	690,002	157,320	-	847,322
At 31 December 2022	979,182	1,173,036	6,000	2,158,218
At 1 January 2023	979,182	1,173,036	6,000	2,158,218
Additions	662,814	119,094	-	781,908
At 31 December 2023	1,641,996	1,292,130	6,000	2,940,126
Amortization				
At 1 January 2022	140,547	1,015,716	6,000	1,162,263
Charge for the year	501,942	157,320	-	659,262
At 31 December 2022	642,489	1,173,036	6,000	1,821,525
At 1 January 2023	642,489	1,173,036	6,000	1,821,525
Charge for the year	338,456	119,094	-	457,550
Impairment loss	101,000	-	-	101,000
At 31 December 2023	1,081,945	1,292,130	6,000	2,380,075
Net book value				
At 31 December 2023	560,051	-	-	560,051
At 31 December 2022	336,693	-	-	336,693

a) The amortization charge for the year has been allocated in the statement of comprehensive income as follows:

	2023 RO	2022 RO
Cost of revenue (note 23)	457,550	659,262

b) Exploration and evaluation assets represents costs incurred on exploration activities of mines which are currently on-going. Included with the additions for the year is RO Nil (2022: RO 126,591) being the Company's contribution for exploration, excavation and the feasibility phases of the two sites, Liwa and Mahadha that were incurred under a joint arrangements with Minerals Development of Oman. In this regard, the company has recognized a impairment loss of RO 101,000. This impairment loss reflects the Company's current assessment that the exploration activities at the Liwa and Mahadha sites may not be possible.

6.Guarantee deposits

	2023 RO	2022 RO
Guarantee deposits with Environment Authority	152,000	92,000

Guarantee deposits relates to amount submitted to Environment Authority for different mining sites and refundable on the completion of project and return of the site.

7.Investment in associate

	2023 RO	2022 RO
Gulf Alloys and Metals (FZC) LLC	440,809	500,000

Movement during the year in investment in associate is as follows:

	2023 RO	2022 RO
Opening balance	500,000	-
Investment during the year	-	500,000
Share of (loss) of associate	(59,191)	-
Closing balance	440,809	500,000

Investment in associates represent %20 shareholding in Gulf Alloys and Metals (FZC) LLC, 'the Associate', a Company registered in Sohar Free Zone, North Al Batinah Governorate, Sultanate of Oman.

The summarized financial position and results of the associate is as follows:

	2023 RO (unaudited)	2022 RO
Total assets	3,818,745	3,105,692
Total liabilities	1,614,137	1,195,517
Equity	2,204,603	1,910,175
Loss for the year	(95,468)	(56,069)
Accumulated losses	(295,953)	(200,485)

8.Investment at fair value through profit or loss

	2023 RO Fair value	2023 RO Cost	2022 RO Fair value	2022 RO Cost
Listed securities:				
Local quoted investments	5,037	10,621	3,293	10,621

a) The movement in investments at fair value through profit or loss is as follows:

	2023 RO	2022 RO
At the beginning of the year	3,293	4,217
Adjustment during the year	-	51
Unrealised losses on investments at fair value through profit or loss	1,744	(975)
At the end of the year	5,037	3,293

b) Investments at fair value through profit or loss comprise shares in companies quoted on the Muscat securities Market. At the end of reporting period, investments at fair value through profit or loss with a carrying value of RO 5,037 (2022: RO 3,293) are held by portfolio managers in their capacity as trustees on behalf of the Company.

c) The fair value of the investments at fair value through profit or loss has been determined under the level 1 hierarchy.

d) None of the Company's investment at fair value through profit or loss represents %10 or more of the investee Company's share capital.

9.Inventories

	2023 RO	2022 RO
Chromite ore at full production cost	1,392,548	1,364,770
Spares	24,220	15,166
	1,416,768	1,379,936

The movement in provision for slow and non-moving inventories during the year is as follows:

	2023 RO	2022 RO
At 1 January	–	155,000
Reversal of provision during the year	–	(155,000)
At 31 December	–	-

10.Trade and other receivables

	2023 RO	2022 RO
Trade receivables	2,599	320,016
Prepayment and other receivables	213,208	206,850
	215,807	526,866

Trade receivables are generally on 30 to 90 days credit terms. The carrying value of trade receivables stated at amortised cost approximate their fair values. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

The Company applies the IFRS 9 simplified approach to measure ECL using a lifetime ECL provision for trade receivables. To measure ECL on a collective basis, trade receivables are grouped based on similar credit risk and aging. The ECL rates are based on the Company's historical credit losses experienced over the prior periods. The historical losses are then adjusted for the current and forward-looking information on macro-economic factors affecting the Company's customers.

The provision for ECL is determined based on the ECL model and reviewed periodically. At the end of the reporting period, since trade receivables amounting to RO 2,599 (2022: RO 320,016) are not past due, no ECL provision has been created based on historical experiences of the management.

The carrying amounts of the Company’s trade receivables are primarily denominated in RO.

11.Loan to associate

	2023 RO	2022 RO
Gulf Alloys & Metals (FZC) LLC	115,452	–

The company has granted a short-term loan to its associate on 28th September 2023. The loan bears an interest rate of %15 per annum. The loan is repayable in 6 instalments starting in June 2024 to November 2024.

12.Term deposits

	2023 RO	2022 RO
Fixed deposits with commercial banks	3,000,000	2,050,000
Less: Current portion	(250,000)	(2,050,000)
Non-current portion	2,750,000	-

Term deposits are placed with local commercial banks and earn profit rates %5.9 - %5 per annum (%4.7 - %4.15 :2021 per annum).

Term deposits includes:

a) Deposits amounting to RO 1,550,000 with Maisarah Islamic Banking Services, which carries expected profit rates of %5.9 per annum. The deposit will mature on 24th December 2028.

b) Deposit amounting to RO 800,000 with Maisarah Islamic Banking Services, which carries an expected profit rate of %5.25 per annum. The deposit will mature on 12th June 2028.

c) Deposit amounting to RO 400,000 with Maisarah Islamic Banking Services, which carries an expected profit rate of %5.5 per annum. The deposit will mature on 10th October 2028.

d) Deposit amounting to RO 250,000 with Oman Arab Bank, which carries interest rates of %5 per annum (2022: RO 250,000 with Oman Arab Bank which carries interest rates of %3.9).

13.Cash and bank balances

	2023 RO	2022 RO
Cash in hand	3,200	1,600
Cash at bank:	39,064	3,252
- Current account	780,205	655,568
- Call account		
	822,469	660,420

The current account balances with banks are non-interest bearing. The call account balances with banks earns interest at %3 per annum (%3 :2022 per annum).

14.Share capital

The authorised share capital of the Company comprises 10,000,000 ordinary shares of RO 1 each. The issued and fully paid up share capital of the Company comprises 3,000,000 ordinary shares of RO 1 each (3,000,000 :2022 ordinary shares of RO 1 each).

Shareholders who owns ٪٥ or more of the Company's share capital and the number of shares they hold are as follows:

	2023		2022	
Name of shareholders	Number of shares	Shareholding percentage٪	Number of shares	Shareholding percentage٪
Minerals Development Oman SAOC	462,895	%15.43	462,895	%15.43
MB Holding Company LLC	410,049	%13.67	410,049	%13.67
Mohammad Moosa Abdullah Al Yousuf	381,797	%12.73	481,797	%16.06
Fincorp Investments LLC	-	-	311,514	%10.38
Oman Mining Company LLC	300,000	%10.00	300,000	%10.00
Al Qurum Establishment	300,000	%10.00	300,000	%10.00
Al Manuma Establishment	150,000	%5.00	150,000	%5.00
Royal Oman Police Pension Fund	150,000	%5.00	150,000	%5.00
	2,154,741	%71.83	2,566,255	%85.54

15.Legal reserve

As per the Commercial Companies Law of the Sultanate of Oman, annual appropriation of %10 of a company's net profit is to be made to a non-distributable legal reserve, until the amount of legal reserve becomes equal to one-third of the amount of issued share capital. As on 31 December 2023, the reserve has reached the requirement.

16.Optional reserve

Subsequent to achieving the required threshold for legal reserve, the board has resolved in 2023 to allocate future annual appropriations of %10 of the company's net profit into an optional reserve.

17.Retained earnings

In accordance with International Financial Reporting Standards (IFRS), the retained earnings of the company are accumulated profits that are retained with the company. As of 31 December 2023, the retained earnings are comprised of the previous year's balance, adjusted for this year's net income and dividends paid. The detailed movement in retained earnings is presented in the Statement of Changes in Equity.

18.Employees' end of service benefits

Movement in expatriate employees' end of service benefits:	2023 RO	2022 RO
At 1 January		
Recognized during the year	32,134	21,644
Paid during the year	18,886	10,490
At 31 December	51,020	32,134

19.Income tax

Statement of comprehensive income The tax charge for the year comprises:	2023 RO	2022 RO
Current year tax	298,222	194,876
Prior period tax	17,398	-
Deferred tax	20,770	77,279
	336,390	272,155

Statement of financial position
Income tax payable is as follows:

	2023 RO	2022 RO
Opening balance	194,876	-
Current year tax	298,222	194,876
Prior period tax	17,398	-
Less: paid during the year	(151,199)	
Closing balance	359,297	194,876
Deferred tax liability is as follows:		
Deferred tax (liability) / asset at the beginning of the year	(39,087)	38,192
Deferred tax (charge) for the year	(20,770)	(77,279)
Closing balance	(59,857)	(39,087)

The Company is liable to income tax at the rate of %15 on the entire taxable income (2022: tax at the rate of %15).

The Company's income tax assessments for tax year 2022 have not been finalised by the Tax Authority. Management is of the opinion that the additional taxes, if any, that may become payable on finalisation of the pending tax assessments would not be significant to the Company's financial position at 31 December 2023.

20.Trade and other payables

	2023 RO	2022 RO
Trade payables	195,088	238,366
Royalties payable	80,939	134,271
Staff benefits payable	428,047	329,203
Advance from customers	199,145	23,550
Accruals and other payables	297,164	290,702
	1,200,383	1,016,092

Trade payables are generally settled within 30 to 90 days of the suppliers' invoice date.

21.Net assets per share

Net assets per share is calculated by dividing the equity attributable to the shareholders at the end of the reporting date by the number of shares outstanding.

	2023 RO	2022 RO
Shareholders' equity	5,927,999	4,896,224
Number of issued and fully paid-up shares	3,000,000	3,000,000
Net assets per share	1.976	1.632

22.Revenue

Disaggregation of revenue from contracts with customers:
The Company's revenue represents income from the contracts with customer by transfer of products at point in time on the following region and the type of chrome:

(a) Primary geographical region

	2023 RO	2022 RO
GCC (Oman)	1,918,631	2,926,569
East Asia	4,005,090	1,474,809
Europe	17,440	33,247
South Africa	-	18,017
Others	44,469	64,919
	5,985,630	4,517,561

(b) Type of chrome

	2023 RO	2022 RO
Refractory chrome	1,014,158	706,134
Metallurgical chrome	4,971,472	3,811,427
	5,985,630	4,517,561

23.Cost of revenue

	2023 RO	2022 RO
Opening inventories	1,364,770	820,867
Salaries and other staff related costs	723,320	553,124
Cost of mining	884,638	504,051
Equipment hire charges	391,175	518,475
Depreciation on plant and equipment (note ٤)	85,651	59,704
Amortization charge on intangible assets (note ٥)	457,550	659,262
Impairment loss on intangible assets (note ٥)	101,000	-
	4,008,104	3,115,483
Less: closing inventories	(1,392,548)	(1,364,770)
	2,615,556	1,750,713

24.Other income

	2023 RO	2022 RO
Gain on disposal of plant and equipment	-	61,985
Miscellaneous income	654	568
	654	62,553

25.Salaries and other related staff costs

	2023 RO	2022 RO
Salaries	397,678	387,066
Other related staff costs	40,749	28,967
	438,427	416,033

26.Selling and distribution costs

	2023 RO	2022 RO
Royalty	567,769	446,106
Sales commission	34,323	-
Transport and clearing charges	61,625	34,145
Freight charges	13,710	30,333
Other related expenses	17,911	13,733
	695,338	524,317

In consideration for the mining rights, the Company is required to pay to the Government of the Sultanate of Oman, a royalty fee at the rate of %10 of revenues, excluding certain selling and distribution costs.

27.General and administrative expenses

	2023 RO	2022 RO
Business travel and entertainment	20,591	8,239
Communication	5,837	6,568
Corporate social responsibility expenses	65,491	45,176
Depreciation (note £)	3,146	2,805
Directors' remuneration and sitting fees	106,700	92,000
Fees and subscription	14,935	15,227
Insurance	4,929	6,305
Legal and professional fees	39,460	73,848
Marketing expenses	-	10,144
Miscellaneous expenses	16,637	8,032
Office expenses	19,349	20,022
Rent	15,300	15,300
Repairs and maintenance	6,987	10,366
Training	10,987	9,297
Utilities	2,405	1,835
	332,754	325,164

28.Finance charges

	2023 RO	2022 RO
Bank charges	8,277	9,854
	8,277	9,854

29.Interest income

	2023 RO	2022 RO
Interest on call accounts	24,335	11,359
Interest on fixed deposits	105,345	91,848
	129,680	103,207

30.Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the year with the weighted average number of shares issued and outstanding during the year.

	2023 RO	2022 RO
Net profit for the year	1,631,775	1,384,110
Weighted average number of shares	3,000,000	3,000,000
Basic earnings per share	0.544	0.461

No figure for diluted earnings per share has been presented because the Company has not issued any instruments which would have an impact on earnings per share when exercised.

31.Related party transactions

The Company, in the ordinary course of business, deals with parties which fall with in the definition of 'related parties' as contained in the International Accounting Standard Number 24. The terms of these transactions are approved by the management and the management believes that such transactions are at arm's length and are not materially different from those with unrelated parties.

	2023 RO	2022 RO
Key managerial remuneration	229,524	233,865
Directors' remuneration and sitting fees	106,700	92,000
Travel allowances paid to directors	-	3,964
Exploration and evaluation assets	-	126,591
Loan to related party	115,452	-
	451,676	456,420

The Directors' meeting attendance fees and bonus are subject to Shareholders' approval at the forthcoming Annual General Meeting.

32.Contingencies and commitments

	2023 RO	2022 RO
Bank guarantees	42,237	100,000

33.Capital management

The primary objective of the management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders' value. The Company manages its capital structure and make adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies and processes during the period ended 31 December 2023.

34.Financial instruments and related risk management

Financial assets include trade and other receivables, Cash and bank balances, term deposits and investment at fair value through profit or loss. Financial liabilities include trade and other payables. Management believes that the fair values of the financial assets and liabilities approximate their carrying values.

The Company's activities expose it to various financial risks, primarily being, market risk (including currency risk, interest rate risk and foreign exchange risk), credit risk and liquidity risk.

Management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how Management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

A.Market risk

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

(i) Foreign exchange risk

Foreign exchange risk is the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk on sales, purchases, receivables and payables arising primarily from US Dollar, Euro and GCC currencies. The revenue and operating costs denominated in USD and other GCC currencies are covered by the fact that the RO is pegged to the currencies and has remained unchanged since 1986.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company is exposed to interest rate risk as the Company has interest-earning term deposits and call deposits at commercial interest rates.

B.Credit risk

Credit risk arises from bank balances, as well as credit exposures to outstanding receivables.
Credit risk on financial assets
The expected loss rates are based on the payment profiles of customers and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. On that basis, the loss allowance for trade receivables is immaterial to the financial statements as at 31 December 2023 and 31 December 2022.

C.Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's management monitors liquidity requirements on a regular basis to ensure that sufficient funds are available, including unutilized credit facilities with banks, to meet any future commitments. The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecasted and actual cash flows.

	2023 RO	2022 RO
Trade and other payables	1,200,383	1,016,092

D.Commodity price risk

Commodity price risk is the risk that the fair value or future cash flows of the chromite ore will fluctuate because of changes in market prices (other than those arising from foreign exchange risk or interest rate risk), whether those changes are caused by factors specific to the individual commodity or factors affecting all similar commodities traded in the market. The Company is exposed to commodity price risk on the chromite ore. To manage its risk arising from price fluctuations, the management continuously monitors the organised market and the key factors that affect the commodity in which the Company trades.

35.Fair value of financial instruments

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, regardless of whether that price is directly observable or estimated using another valuation technique.
In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

All financial assets and liabilities have been accounted at amortised cost, except for investments in equity instruments designated at fair value through profit or loss, which are routed through profit or loss.The management has assessed that the other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Nature of the financial instrument	Carrying value	Level 1	Level 2	Level 3
At 31 December 2023 Investment at fair value through profit or loss	5,037	5,037	———	———
At 31 December 2022 Investment at fair value through profit or loss	3,293	3,293	———	———

36.Subsequent events

There were no events occurring subsequent to 31 December 2023 and before the date of the approval that are expected to have a significant impact on these financial statements.

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