

تنمية معادن عمان
MINERALS DEVELOPMENT OMAN

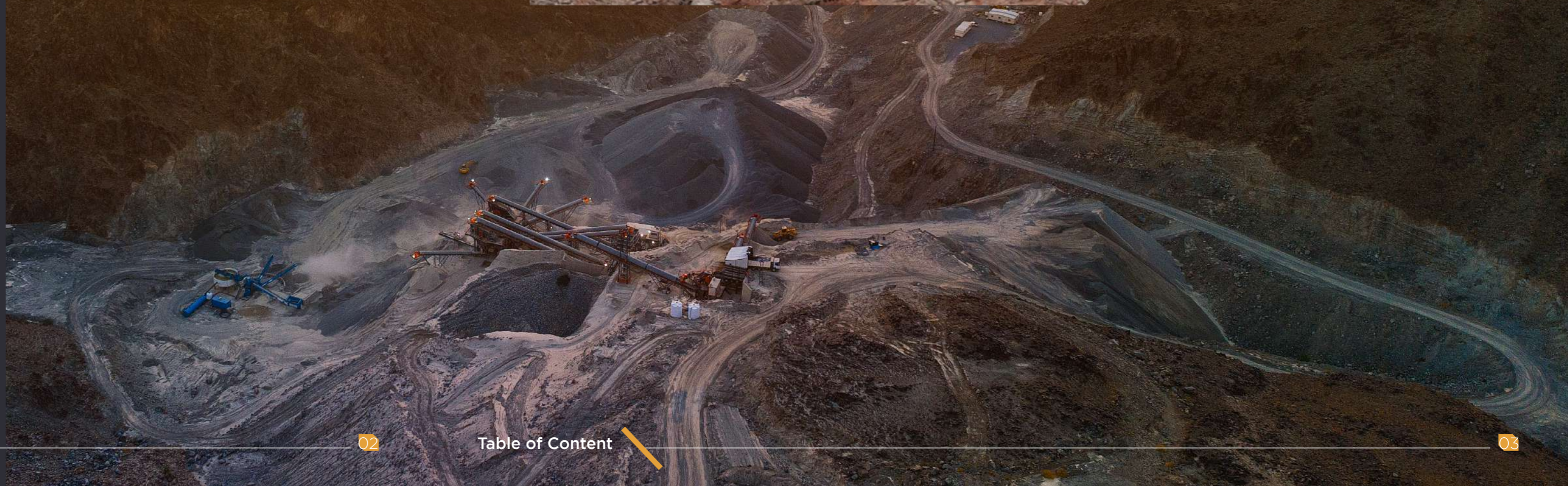


Annual Report 2024

www.mdo.om

Table of Content

1. Chairman's Message
2. About MDO
3. Corporate Governance
4. Financial Performance
5. Exploration Performance
6. Strategic Projects:
 - A. Business Progress
 - B. Assets Performance
7. Sustainability
8. Human Resources



Chairman's Message

The year 2024 marked a pivotal chapter in the journey of Minerals Development Oman (MDO), reaffirming our steadfast commitment to enhancing the mining sector's contribution to Oman's economic and social development.

Throughout the year, we made significant strides in executing our investment strategy, expanding our portfolio, and strengthening strategic partnerships.

These efforts have been instrumental in unlocking the full potential of Oman's mineral resources and cementing MDO's role as a key driver of sectoral growth. Concurrently, we remained focused on advancing our ambitious projects, particularly in exploration and resource development, to enhance our geological assets, optimize mining operations, and ensure the sustainable utilization of Oman's mineral wealth.

One of the most notable milestones of the year was the remarkable progress in the Mazoon Copper Project in Yanqul. Since its official inauguration in November, engineering works have surpassed **30%** completion, progressing in line with the established timeline, with production slated to commence by 2027.

Additionally, the successful export of the first shipment of copper concentrates from the Lasil mine marked Oman's return to the global copper market after **three decades**. This significant achievement not only revitalizes the Sultanate's mining legacy but also positions Oman as an emerging global hub for copper concentrate production.

Further strengthening our investment footprint, we signed two concession agreements with the Ministry of Energy and Minerals for silica and salt exploration and mining in Mahout. This expansion increased our total concession area to **23,763 square kilometers**, unlocking new opportunities for exploration and mineral resource development, in line with our sustainable growth strategy. Moreover, the appointment of a new CEO represented a strategic milestone in our expansion journey, reinforcing our commitment to executing ambitious mining sector initiatives.

At MDO, sustainability remains at the core of our operations, underpinned by strong governance, transparency, and a commitment to social and economic development.

We continue to empower local enterprises, nurture national talent, and collaborate with stakeholders to drive the objectives of **Oman Vision 2040**. By adhering to international best practices, we are ensuring financial and environmental sustainability while maximizing the economic value of Oman's mineral wealth to generate tangible benefits for the national economy.

As we reflect on a year of achievements, I extend my sincere appreciation to our Board of Directors, executive leadership, and employees for their dedication and contributions. We look forward to building on our momentum and driving further success in 2025.



The progress that we have achieved has not been a result of a momentary effort, but rather the culmination of continuous work and a clear vision focused on generating sustainable value for the national economy



Dr. Badar Bin Saud Al Kharusi
Chairman

About MDO

Minerals Development Oman SAOC is a closed joint-stock company registered under the Commercial Companies Law of the Sultanate of Oman.

The company's core mandate is to invest in mineral exploration to establish a robust reserve base while advancing mining projects, manufacturing industries, and expanding investments across value chains. This is achieved through strategic partnerships with local and international investors, fostering the sustainable development and global positioning of Oman's rich and diverse mineral resources.

Date of Inception
17 July, 2017

Shareholder

76.8%

جهاز الاستثمار العماني
Oman Investment Authority

Oman Investment Authority

23.2%

تنمية
TANMIA

Oman National Investments Development Company



Vision

To be a role model for a financially and environmentally sustainable mining company.



Mission

To be a champion in responsible development of the mining sector in Oman through offering the needed financial, know-how, and best practice enablers for maximizing the value of the Omani mineral resources and adopting best in class practices.



Core Values

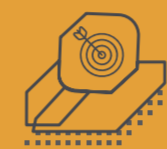
SUSTAINABILITY

EXCELLENCE

INNOVATION

INTEGRITY

GROWTH



Strategic Objectives

MDO was established to invest in the mining sector, unlock its potential and increase its contribution to the GDP, in order to achieve the vision of the government in the economic diversification plan, through a clear strategy based on:

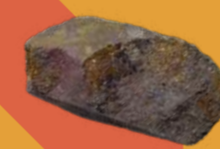
- Financial Sustainability
- Maximizing Value Addition
- Promoting Investments in Mining Industry
- Developing Local Capabilities



Strategic Minerals

Oman boasts a wealth of strategic mineral resources that form a vital foundation for economic growth in the mining sector. Through sustained investment in exploration and development, MDO is committed to maximizing the economic value of these resources and establishing them as a cornerstone of national economic diversification, in line with Oman Vision 2040.

Metallic Minerals



Copper



Chromite

Industrial Minerals



Limestone



Gypsum



Dolomite



Silica



Salt

Company's Portfolio

Throughour subsidiaries, we are committed to unlocking the full potential of natural resources, fostering strategic partnerships, and driving sustainable economic and social value creation in Oman.

MDO at Glance

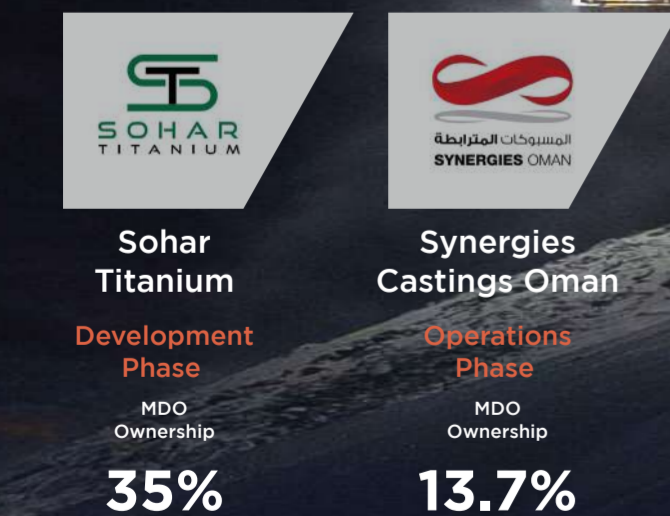
Metallic Minerals



Industrial Minerals



Manufacturing Industries



Corporate Governance

Auditing Plan 2024 Fostering Excellence and Strengthening Governance

In 2024, the Risk and Compliance team at MDO continued its focused efforts to uphold governance and compliance measures, aligning with the Oman Investment Authority (OIA) guidelines, regulatory requirements, and internal procedures. The team played a pivotal role in ensuring that the company's operations adhere to the highest standards of risk management and regulatory compliance.

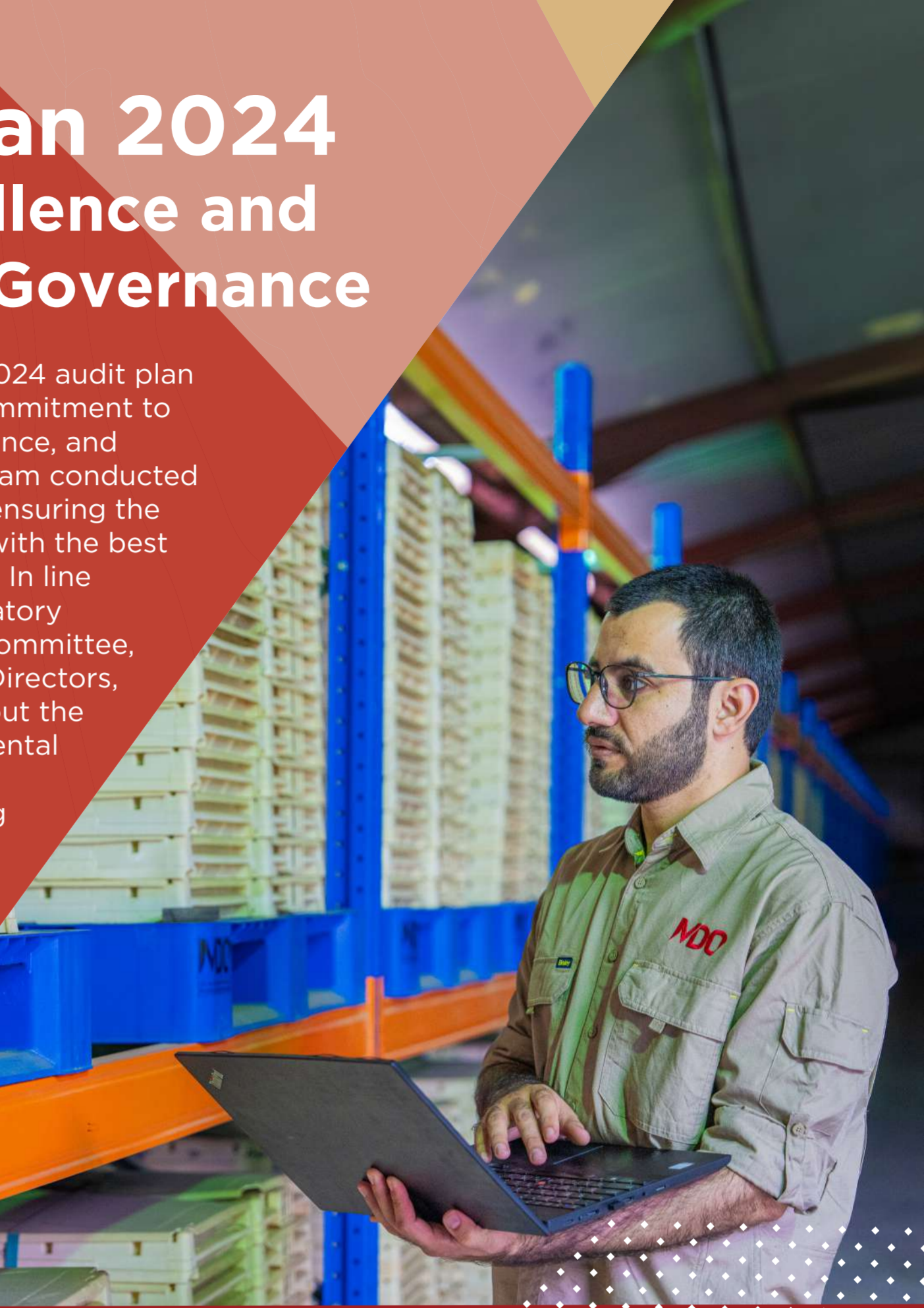
To enhance organizational resilience, MDO successfully implemented a Business Continuity Management (BCM) strategy and plan, ensuring the company's preparedness for challenges and reinforcing its ability to maintain operational sustainability. The company further strengthened its control mechanisms by conducting thorough reviews of records, checklists, and continuous updates to ensure full compliance with regulatory standards. In 2024, MDO introduced new policies and guidelines, most notably:

- Environmental, Social, and Governance (ESG) Guidelines
- Social Investment Policy
- Public Disclosure Policy

As part of its efforts to enhance the compliance culture and mitigate risks, the team organized awareness sessions for MDO employees and subsidiaries. Additionally, quarterly risk assessment reports were prepared in collaboration with executive management and various departments, focusing on identifying potential risks in ongoing investments, particularly those under evaluation before making final investment decisions. These proactive measures help ensure the company's continued success while managing risks effectively.

The successful completion of the 2024 audit plan underscores MDO's unwavering commitment to excellence in performance, governance, and accountability. The internal audit team conducted thorough and meticulous reviews, ensuring the company's operations are aligned with the best practices and regulatory standards. In line with established policies and regulatory requirements, the Audit and Risk Committee, in collaboration with the Board of Directors, held productive meetings throughout the year. These meetings were instrumental in further enhancing internal governance processes and ensuring robust oversight.

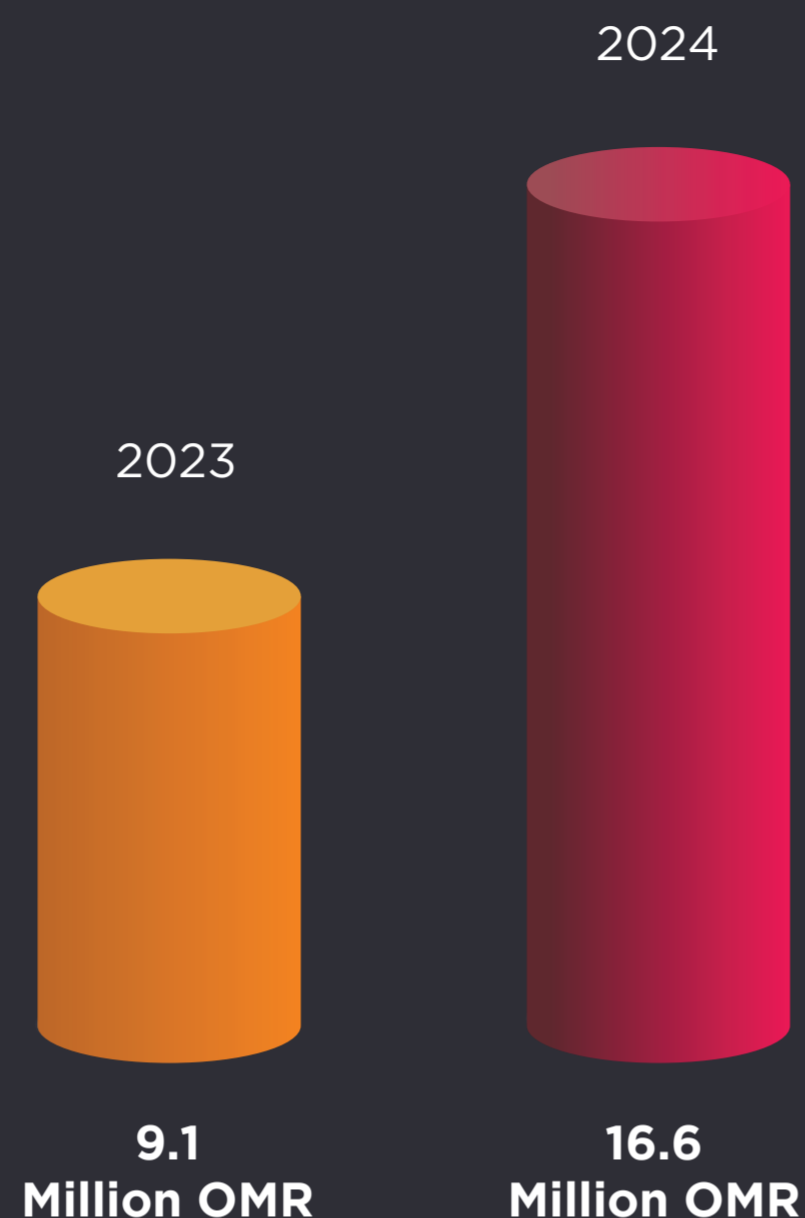
MDO also demonstrated a high level of cooperation with the internal auditor, working closely with the State Audit Institution to ensure the accuracy and integrity of financial reporting.



Financial Performance

Revenue

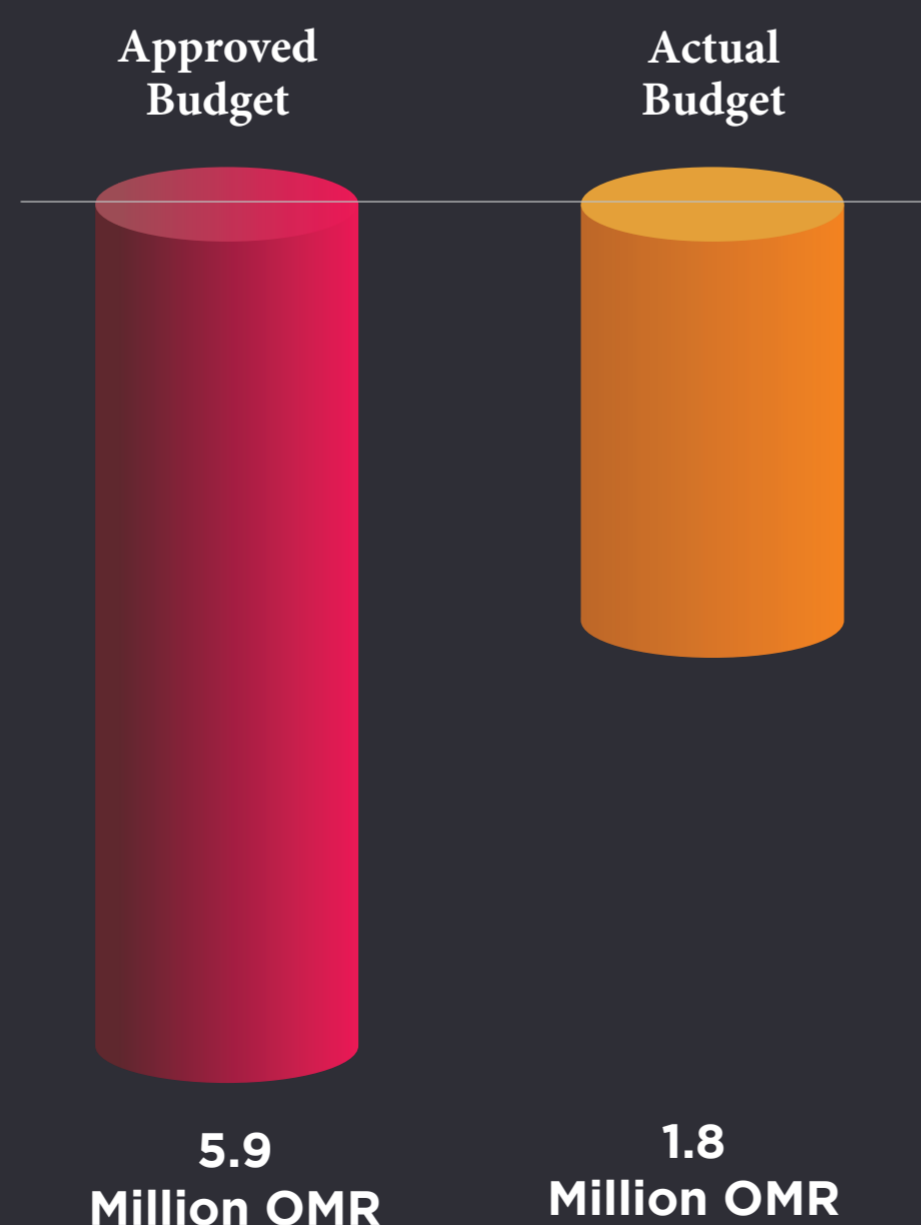
During the financial year that ended 31 December 2024, MDO Group generated revenue of **OMR 16.6 million**, an increase of **82%** compared to **OMR 9.1 million** in 2023.



Net Profit / Losses

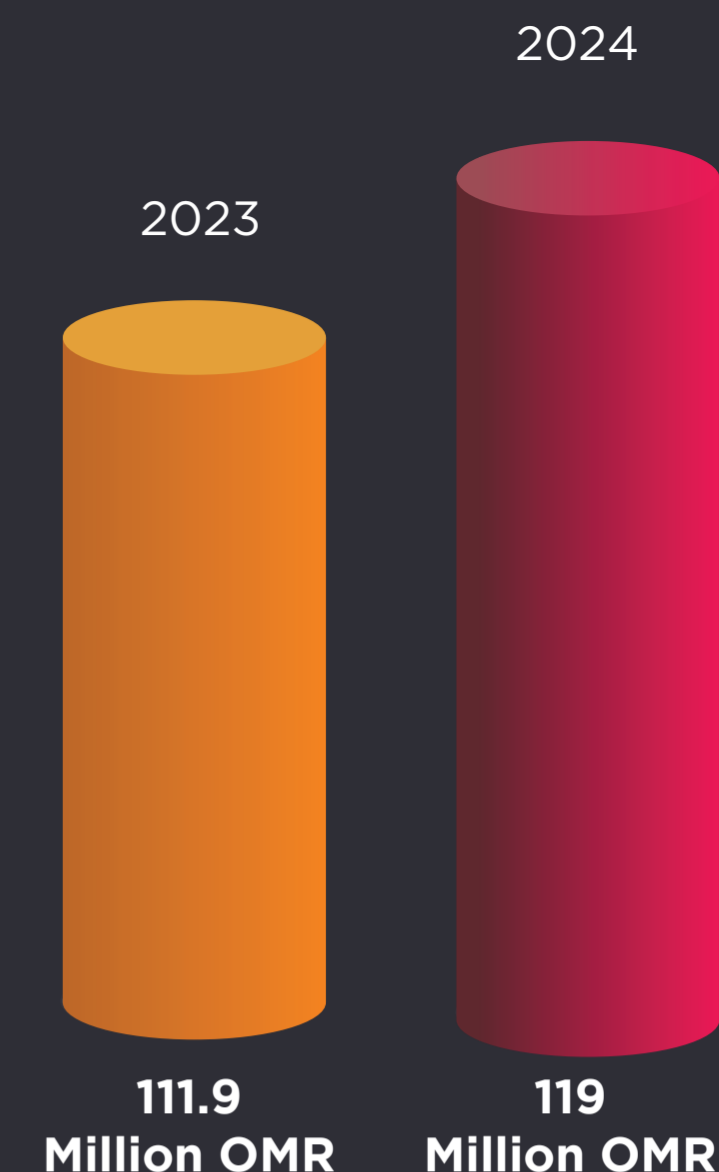
Given that the Company is in the exploration and project development stage, it was expected to record a loss this year. However, the Company successfully reduced its net loss by **69%** compared to the approved budget to reach **OMR 1.8 million** in 2024, compared to the budgeted loss of **OMR 5.9 million**.

Investment in subsidiaries increased by **OMR 23.7 million** during the year to reach **OMR 102.5 million**, compared to **OMR 78.8 million in 2023**. Investment in associates increased by **17%** to reach **OMR 12.6 million in 2024**, compared to **OMR 10.8 million in 2023**.



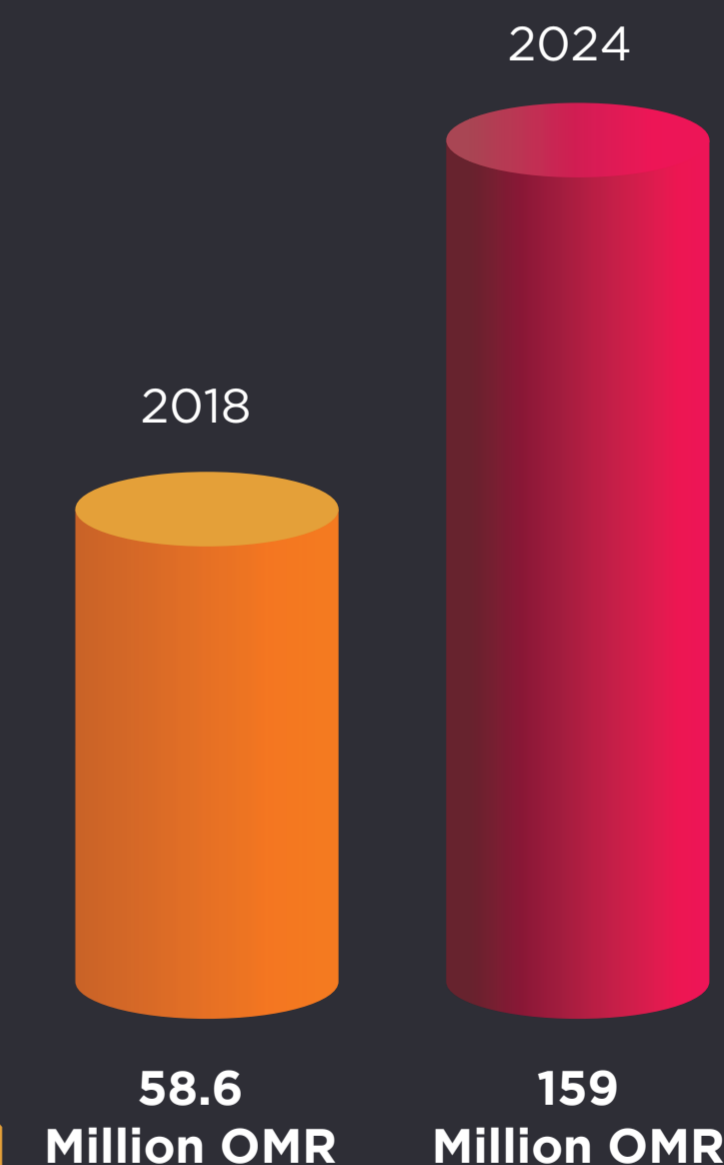
Exploration and Prospecting Assets

MDO Exploration and Evaluation Assets (EEA) also increased by **6%** in 2024 to reach **OMR 119 million**, compared to **OMR 111.9 million** in 2023. The **OMR 7.1 million** addition in EEA was mainly in concession **12A-1** (Mazoon Copper project), **concession 12A-2**, **concession 11B**, and **concession 24**.



Net Assets

Over the last seven years, the Group's net assets have increased from **OMR 58.6 million** in 2018 to **OMR 159 million** in 2024.



Going Concern

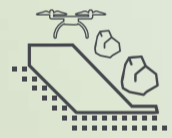
At year-end, the Group had a healthy financial position, with fixed deposits of **OMR 11.5 million** placed with financial institutions and cash and cash equivalents of **OMR 14.2 million**.

Further, the Group had net current assets of **OMR 30 million** as of the end of the financial year, 31 December 2024, which is sufficient for the Company to continue as a going concern.

Exploration Performance

Exploration Activities

MDO's concession areas span a total of **23,763 square kilometers** across various governorates of the Sultanate, encompassing a diverse range of potential metallic and industrial mineral resources. In 2024, the company advanced its exploration efforts with comprehensive programs across **14 concession areas**. These initiatives encompassed a range of activities focused on assessing target sites within the concession areas. Successful initial exploration results will lead to the identification of mineral reserves and resources.



Airborne Geophysical Surveys

MDO has successfully completed the comprehensive airborne geophysical survey project, a key strategic initiative designed to enhance the company's exploration and mineral resource development programs across the Sultanate of Oman. This project is a critical milestone in the identification and assessment of mineral reserves within the company's concession areas, which include copper, chromite, and industrial minerals.

Flying Hours

2,550

Hours

Surveyed Area

16,000

Square Kilometers

Concession Areas **7** Areas Across Six Governorates
Al Buraimi, North & South Al Batinah, North Al Sharqiyah, Al Dhahirah, and Al Dakhiliyah



Geochemical Surveys

As part of its ongoing exploration programs, MDO's exploration team has continued extensive sampling activities across targeted concession areas. These efforts are being further expanded with additional sampling initiatives to enhance target accuracy and improve the level of detail in exploration assessments.

Total Initial Samples Collected

2,747 Samples

Phase Two Detailed Survey Initiated for

60 Identified Exploration Target Areas



Exploratory Drilling

MDO maintained a rapid pace in executing its exploratory drilling operations throughout 2024.

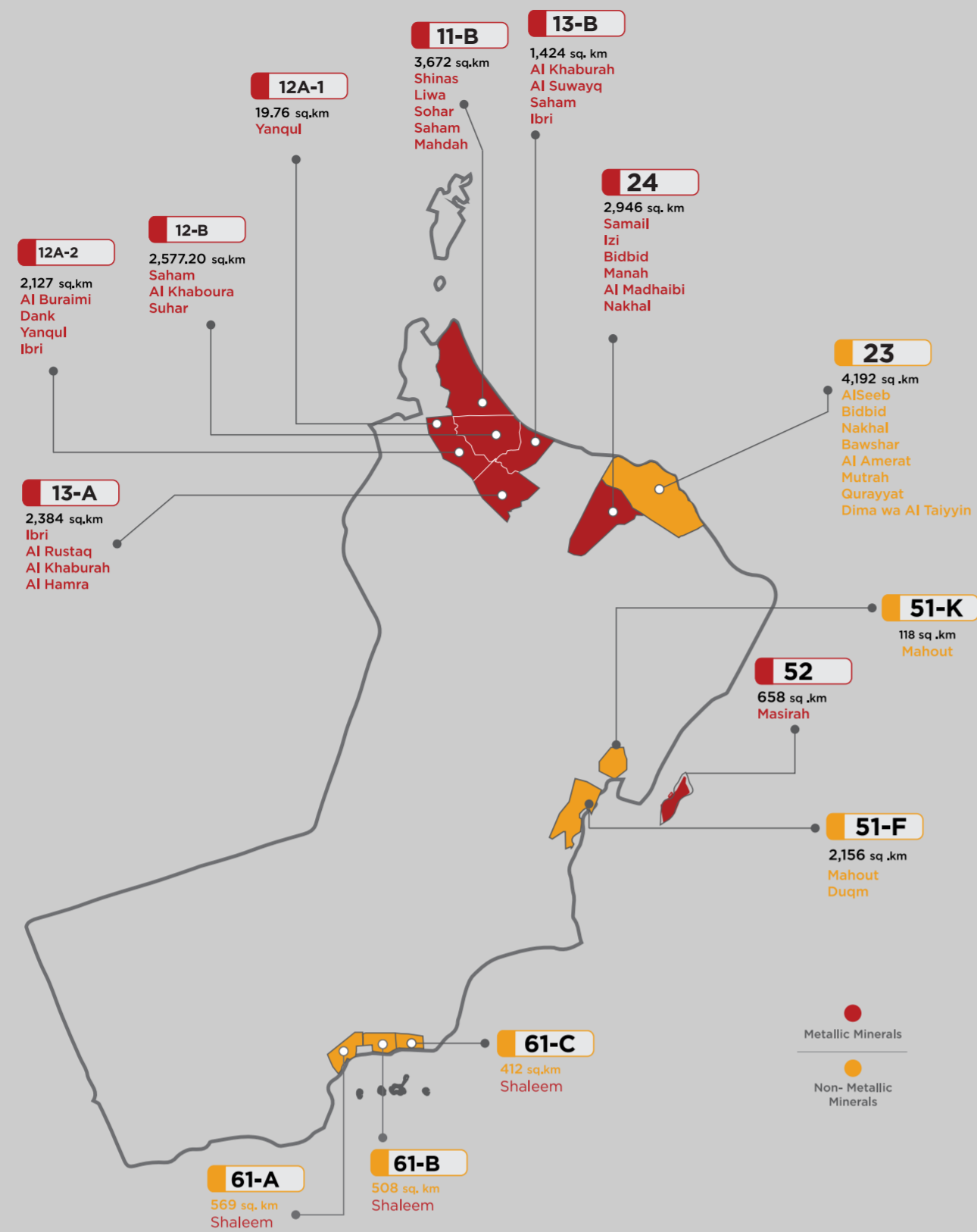
48,566 Meters

329 Number of Drill Holes

Concession Areas Map

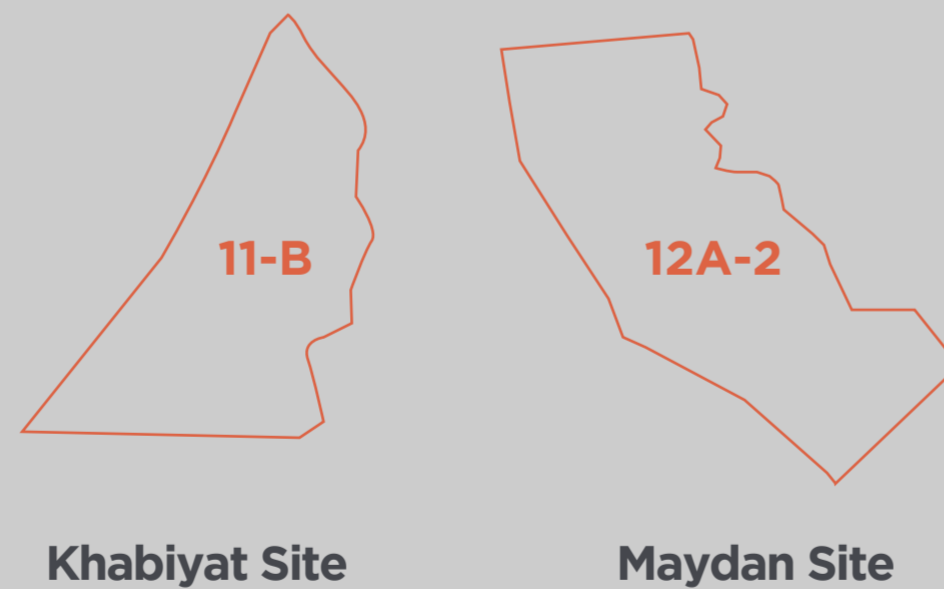
Total Drilling Completed
23,763
Square Kilometers

- Metallic Minerals
- Industrial Minerals



Exploration Progress

MDO's exploration efforts have led to significant discoveries, including copper, chromite, high-quality dolomite, and silica. Key highlights include:



Drilling at Maydan, located 45 kilometers northwest of the Yanqul Project, will continue in 2025 for advanced resource and reserve estimation studies.

In the chromite sector, new deposits at Jib Jiba, Wadi Rajmi, and Diqara have increased our estimated resources to **467,000 tons**. Additional discoveries in Fanja and Al Raki were also confirmed.

In the industrial minerals sector, exploration indicated

Silica resources in Quriyat reached



111 million tons
96.96%
with the Purity

Dolomite resources in Dhabab reached



242 million tons
20.77%
with magnesium oxide (MgO) content.

Dolomite resources in Duqm reached



66 million tons
21.56%
with magnesium oxide (MgO) content.

Exploration Performance in 2024

MDO remains committed to advancing its exploration initiatives through the execution of comprehensive geophysical and geochemical surveys, alongside exploration drilling across its concession areas. These strategic activities are designed to establish a solid foundation of geological data, which will underpin the sustainability of mining projects and drive the company's continued growth within the mining sector.



Strategic Projects

Business Progress

Mazoon Copper Project

MDO has made significant strides in the Mazoon Copper Project, located in the Wilayat of Yanqul, following the laying of the foundation stone last year. Engineering works have surpassed **30%** completion, with notable advancements across key areas of the project.

Tenders for the supply of major mechanical equipment for the processing plant have been issued, ensuring the timely delivery of essential components. Site preparation contracts remain in the bidding phase, with work slated to begin in Q1 2025.

Chromite Mining Project

In 2024, MDO achieved a significant milestone in the mining sector with the discovery of approximately **100,000 tons** of commercially viable chromite reserves at the Al Raki and Fanja sites. This discovery represents a strategic step forward in expanding Oman's chromite production capacity.

Among the key achievements of 2024, feasibility studies for both the Al Raki and Fanja sites were successfully completed, alongside comprehensive environmental impact assessments. The necessary mining and environmental permits were obtained for both sites, ensuring full compliance with regulatory standards and environmental sustainability practices.

Additionally, the company successfully concluded the tendering process for mining works, awarding the contract to a specialized local company, which will help accelerate project development. Production at the Al Raki site is scheduled to commence in 2025.

Ash Shuwaymiyah Industrial Minerals Project

In the second quarter of 2024, MDO successfully completed the economic feasibility study for port and mining activities related to gypsum, limestone, and dolomite ores within the Shuwaymiyah Industrial Minerals Project. With a capital expenditure of approximately **290 million Omani Rials**.

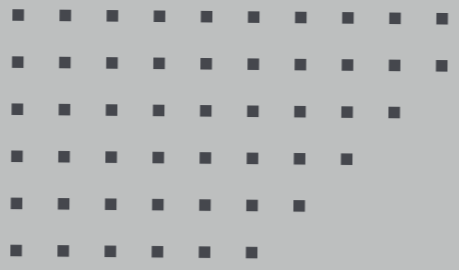
A memorandum of understanding has been formalized, outlining the foundational terms for the project's development, while negotiations for the final agreements are progressing. The company is also focused on optimizing capital expenditures for the port, with specialized consultants expected to complete the initial cost estimates by the third quarter of 2025.

Sohar Titanium

The project is advancing in line with the planned schedule. Over the past year, significant progress has been made, including the successful installation of the first furnace, while civil, mechanical, and electrical works continue at an accelerated pace. Key construction milestones include the installation of steel structures for the smelting workshops and both primary and secondary crushers, alongside critical concrete works at essential sites. Additionally, the procurement of long-lead major equipment remains on track, with shipments arriving as scheduled.

The Sohar Titanium Project is a strategic investment for MDO spanning **120,000 square meters** in the Sohar Free Zone. The project aims to produce 150,000 tons of titanium dioxide annually. With a total investment of **63.4 million Omani Rials**, MDO holds a **35%** stake in the project.





Naqa Salt Project

The Naqa Salt Project is a unique initiative focused on extracting salt from seawater along the Arabian Sea coast, utilizing the development of evaporation ponds to produce raw salt. In 2024, the project made significant progress, achieving key milestones that have facilitated its accelerated advancement.

To reinforce strategic partnerships, MDO signed a contribution agreement with **Dev Salt**. The company also formalized a concession agreement with the Ministry of Energy and Minerals, and the issuance of Royal Decree No. **(72/2024)** granted the **51K** concession area to Naqa Salt Company.

Magnesium Metal Project

Magnesium Metal Production Project is underpinned by high-quality dolomite ore extracted from the Dhabab site, along with solid silica ores sourced from the Wilayat of Quriyat.

In 2024, the project achieved significant progress, transitioning from the feasibility study phase to the basic design phase. Capital expenditure estimates were refined, ensuring a more accurate and efficient financial outlook. Additionally, the market study and environmental impact assessments were successfully completed, ensuring the project meets both environmental and regulatory standards.

Partners are actively refining capital expenditure requirements in preparation for the final investment decision, positioning the project for a successful transition into its next phase of implementation.

Mahout Silica Project

MDO's partially has successfully completed the final feasibility study for its high-quality silica ore production project, which is projected to achieve an annual production capacity of **60,000 tons**. The company is currently conducting an in-depth market study and developing logistical solutions to ensure the project's successful implementation and long-term viability.

In 2024, the company further advanced the project by signing a concession agreement **(51F)** with the Ministry of Energy and Minerals, granting access to a **2,156 square kilometer** area in the Wilayat of Mahout.

FerroSilicon Project

Oman is preparing to launch an advanced facility to produce ferrosilicon, taking advantage of its abundant quartzite resources and its strategically advantageous location. This initiative aims to position Oman as a key global supplier of ferrosilicon, an essential material in steel production, foundries, and various other industrial applications. As part of its industrial sector development efforts, Oman is also planning to establish a magnesium production plant soon, which will rely on ferrosilicon as a key raw material. This will contribute to diversifying the national economy and enhancing Oman's standing on the global industrial map.



The Green Tech project, a strategic partnership between **BPG Precious Metal Storage Plc** of Austria and Oman Mining Company, a subsidiary of Minerals Development Oman (MDO), represents a major step in advancing sustainability within the mining sector. The project involves establishing a state-of-the-art waste processing plant in Al Arjah, Sohar, focused on recycling mining waste and utilizing low-grade ore piles.

Greentech Project

The project will apply advanced technologies and a circular economic approach to optimize resource use and minimize environmental impact. By the end of 2024, a pilot calibration plant was launched, laying the groundwork for a fully integrated waste processing facility, which is expected to be operational by mid-2026. With a production capacity of **10,000 tons** per day and **3.3 million tons** annually, the project aims to effectively address environmental challenges.

The facility will incorporate environmentally friendly technologies, such as water recycling, carbon emission reduction, and solar energy, enhancing both operational efficiency and sustainability.

Assets Performance

Duqm Quarries has strengthened its position as a key supplier of crusher materials, with an annual production capacity of 11 million metric tons. The company has diversified its product range and improved competitiveness, leading to a net profit increase to **2.5 million Omani Rials** in 2024, up from **1.3 million Omani Rials** in 2023. In the manufacturing sector, Oman Synergies Casting is expanding its capacity to produce high-quality aluminum wheels, with an annual production of **1.2 million wheels**. The company is also building stronger partnerships with major European manufacturers to increase its global presence. Wafra Mining continues operations in the limestone sector in Sohar, exporting up to **60,000 metric tons monthly** and achieving total sales of over **450,000 metric tons** in 2024.



Lasail Mine in 1980s

Lasail and Al Baydha Mines Project

Regarding the Lasail and Al Baydha Mines project, MDO has made significant progress in redeveloping the copper mines. Copper concentrate production began in July 2024, ahead of schedule, and the first shipment was successfully exported. This marks Oman's return to the copper export market after 30 years. Operations at Al Baydha are expected to begin between 2025 and 2026. MDO is also focused on improving operational efficiency and sustainability, incorporating advanced technologies into future project phases.

Sustainability

Local Content

In 2024, MDO reinforced its commitment to supporting local content development and strengthening the national economy. Expenditures directed towards small and medium-sized enterprises (SMEs) accounted for **29%** of the company's total spending, underscoring its dedication to empowering local businesses and enhancing national capabilities to drive expansion. The total procurement spending exceeded **OMR 6 million**, covering critical services such as consulting, exploratory drilling, mining operations, laboratory services, and technology. This spending highlights MDO's strategic focus on integrating the local industrial sector with the mining industry, fostering collaboration and growth.

Furthermore, MDO continued to implement the Ring-Fencing Program, an initiative by the Oman Investment Authority aimed at optimizing the use of national products and services. In 2024, MDO and its subsidiaries expanded this initiative to include significant areas such as contracting agreements, site preparation works, and vehicle leasing, further bolstering the local value chain and supporting the long-term economic sustainability of Oman.

Local Success Stories

Vendor Development Program

MDO formed a partnership with Titronic Middle East, a small and medium-sized Omani enterprise, to facilitate the development and production of rock sample storage boxes, aiming to localize their manufacturing in Oman.

Contract Duration

5 Years
Extendable

Contract Value

546,000 OMR

Ring Fencing Program

MDO began implementing ring fencing programs to integrate more small and medium-sized enterprises (SMEs) into the mining sector value chain in Oman. The company is currently outsourcing the following services to SMEs:

Drilling Services in 2024

598,000 OMR

Topographic Surveying Services in 2024

55,000 OMR



Health, Safety, and Environment

Health, safety, and the environment are top priorities for MDO, which is committed to complying with local and international regulations and applying global best practices to ensure a safe and healthy work environment for all its employees. In 2024, the company launched an integrated health, safety, and environment management system that aligns with national and international standards, achieving

795,319 safe working hours with no time-loss injuries, reflecting its unwavering commitment to occupational safety standards.

Additionally, the company joined the **"Himaya"** digital platform for safety, health, and the environment, managed by the Oman Energy Association, becoming the first mining company in Oman to adopt this digital system. Through this step, the company aims to digitize all quality, safety, and environmental management processes, enhancing work environment efficiency and safety, while providing instant reports. This reflects MDO's continuous focus on employing the latest technologies to ensure a safe and efficient working environment.



"Sustainability is not a choice, it's a firm commitment"

Human Resources

3430 Training Hours
75% Omanization Rate

The company continued to offer innovative educational and training initiatives, such as MDO's collaboration with the Oman Energy Institute. Employees benefited from specialized training programs, resulting in the graduation of a group of geologists and mining engineers, further demonstrating the company's dedication to qualifying competencies in the mining sector.

Furthermore, the company launched the first cohort of MDO employee education support program for those wishing to pursue higher education.

Alongside this, the company provided specialized training programs to achieve professional certifications in both technical and administrative fields, further enhancing its employees' skills and professional competence.

As part of its efforts to empower national talents, the company continued to implement the Jadara program, a six-month hands-on training initiative targeting geology, mining engineering, and business administration students. This program helps enhance their practical skills and prepares them for the workforce.

Additionally, the company welcomed **39 students** as part of its internship program, providing them with valuable field experience in the mining sector. These initiatives reflect the company's commitment to developing Omani competencies and preparing a qualified generation to contribute to the growth and sustainability of the mining sector in the future.

“ **The Jadara program, a six-month hands on training initiative targeting** geology, mining engineering, and business administration students ”



MDO

تنمية معادن عمان
MINERALS DEVELOPMENT OMAN

Tel: +968 2250 4333

Fax: +968 2250 4300

PO. Box 1004

Postal Address: 111, Muscat, Sultanate of Oman

www.mdo.om