KANSANSHI MINING PLC

REGISTRATION NUMBER 119970037529

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

Table of contents

Directors' report

The Directors submit their report together with the audited annual financial statements for the year ended 31 December 2024, which disclose the state of affairs and performance of Kansanshi Mining PLC (the "Company").

PRINCIPAL ACTIVITIES

The principal activities of the Company are mining, prospecting for minerals and processing of ore in the Solwezi area of the North Western Province of Zambia. The Company produces A Grade copper cathode, copper anodes and copper in concentrate with acid and gold bullion by-products from its plant located 15 kilometres north of Solwezi. There have been no significant changes in the Company's business during the year.

SHARE CAPITAL AND BENEFICIAL OWNERSHIP

The authorised share capital of the Company at year end was 3,000,000 ordinary "A" shares of US$1 each, 3,750,000 ordinary "B" shares of US$0.01 each, and 27,000,000 Class C shares of US$ 1 each. The issued and fully paid-up share capital at the year-end was US$11,287,500 made up of 3,000,000 Class "A" shares of US$1 each, 3,750,000 ordinary "B" shares of US$0.01 each and Class C shares of 8,250,000 of US$1 each.

The Company shareholding and beneficial ownership is represented as follows:

Name of shareholder	Percentage of shareholding	Beneficial Owner
Kansanshi Holdings Limited (Ireland)	80%	None as ultimate parent company is an entity and not a natural person
ZCCM Investments Holdings PLC ("ZCCM-IH")	20%	None as is owned by Government of the Republic of Zambia and not a natural person

There were no changes in the beneficial owners during the year.

RESULTS AND DIVIDEND

The profit for the year of $362.23 million (2023: US$16.75 million) has been added to retained earnings.

During the year, no dividends were declared or paid (2023: Nil).

DIRECTORS AND REMUNERATION

The Directors who held office during the year and to the date of this report were:

Rudi Badenhorst	Non-executive Chairman
John Gordon Gladston	Non-executive
Anthony David Silvestro	Non-executive
Dr Godwin Mooba Beene	Non-executive
Anthony M Mukutuma	Non-executive – Appointed 4th March 2024
Patrick Wanjelani (Jnr)	Non-executive – Appointed 6th November 2024
Kenny Hachuka Makala	Non-executive – Appointed 6th November 2024
Reuben Tisa Chama	Non-executive – Resigned 6th November 2024
Ryan Leslie MacWilliam	Non-executive – Resigned 4th March 2024
Chilandu Josephine Sakala Mrs	Non-executive - Resigned 6th November 2024
Mukuli Chikuba	Non-executive – Resigned 12th July 2024

Directors' report

During the year, the total Directors' remuneration was US$0.002 million (2023: US$0.002 million) comprised of US$0.002 million (2023: US$0.002 million) for services rendered by non-executive directors. The other Directors' remuneration are borne by fellow entities within the group.

INTERESTS REGISTER INFORMATION

During the year, the Company officers made declarations of interest in Company transactions and business as follows:

Name	Number of instances
Godwin Mooba Beene (Director)	17 interests declared
Ryan Leslie MacWilliam (Director)	3 interests declared
Rudi Badenhorst (Director)	6 interests declared

There were no other declarations from other Company officers.

The interests' register, as required by the Companies Act, 2017 of Zambia, containing particulars of the above stated interests declared, is available for inspection at the Company's registered office.

AVERAGE NUMBER OF EMPLOYEES AND REMUNERATION

The total remuneration of employees during the year amounted to US$167.86 million (2023: US$134.46 million) and the average number of employees was as follows:

Month	Average Number	Month	Average Number
January	5,937	July	6,105
February	5,917	August	6,155
March	5,930	September	6,212
April	5,918	October	6,343
May	5,989	November	6,383
June	5,968	December	6,526

The Company has policies and procedures to safeguard the occupational health, safety, and welfare of its employees.

GIFTS AND DONATIONS

During the year the Company made donations of US$6.4 million (2023: US$7.3 million) to charitable organisations and events.

RESEARCH AND DEVELOPMENT

The Company incurred nil costs on research and development during the year (2023: Nil).

EXPORTS

The Company exported copper amounting to US$1,715.7 million (2023: US$1,384.7 million) and gold worth US$148.5 million (2023: US$40.6 million) from Zambia during the year.

PROPERTY, PLANT AND EQUIPMENT

The Company purchased property, plant and equipment amounting to US$878.7 million (2023: US$528.4 million during the year. In the opinion of the Directors, the carrying value of property, plant and equipment is not more than their recoverable value.

SIGNIFICANT EVENTS DURING THE YEAR

There were no significant events in the year.

COMPANY AUDITOR AND REMUNERATION

The Company Auditor, PricewaterhouseCoopers Zambia, has indicated their willingness to continue in office and a resolution for their reappointment will be proposed at the next annual general meeting.

The Company Auditor remuneration for the year was US$0.17 million (2023: US$0.18 million), relating to external audit services and US$0.08 million for non-audit services (2023: Nil).

Signed on behalf of the Board of Directors

Godwin Beene
Director

Patrick Wanjelani
Director

7 March 2025

Statement of Directors' Responsibilities

The Companies Act, 2017 of Zambia requires the Directors to prepare annual financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its financial performance. It also requires the Directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. They are also responsible for safeguarding the assets of the Company. The Directors are further required to ensure the Company adhere to the corporate governance principles or practices contained in Sections 82 to 122 of Part VII of the Companies Act, 2017 of Zambia.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with IFRS Accounting Standards as issued by the IASB and the requirements of the Companies Act, 2017 of Zambia.

During the year Sections 146, 147 and 149 of the Securities Act 2016 came into full effect. These provisions require the reporting, in the Annual report, of the effectiveness of internal controls over financial reporting by the Management, the Board and the External Auditors respectively.

The Company has received a formal waiver from the Securities and Exchange Commission, SEC, in respect of compliance with the above provisions for the year ended 31 December 2024 and consequently, the related certifications and reports have been omitted from this Annual report.

The Board of Directors remains committed to ensuring the effectiveness of the Company's internal control systems, including those related to financial reporting and disclosure controls.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of annual financial statements, and for such internal controls as the Directors determine necessary to enable the preparation of annual financial statements that are free from material misstatement whether due to fraud or error.

The Directors are of the opinion that the annual financial statements set out on 8 to 40 give a true and fair view of the state of the financial affairs of the Company and of its financial performance in accordance with IFRS Accounting Standards as issued by the IASB and the Companies Act, 2017 of Zambia. The Directors further report that they have implemented and adhered to the corporate governance principles or practices contained in Sections 82 to 122 of Part VII of the Companies Act, 2017 of Zambia.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Board of Directors

Godwin Beene
Director

Patrick Wanjelani
Director

7 March 2025

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Independent auditor's report

To the Shareholders of Kansanshi Mining PLC

Report on the audit of the annual financial statements

Our opinion

In our opinion, the annual financial statements give a true and fair view of the financial position of Kansanshi Mining Plc (the "Company") as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies Act, 2017 of Zambia.

What we have audited

Kansanshi Mining PLC's annual financial statements are set out on pages 8 to 40 and comprise:

- the statement of financial position as at 31 December 2024;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the annual financial statements, comprising material accounting policies and other explanatory information.

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 annual financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The Directors are responsible for the other information. The other information comprises the Company's Annual Report but does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual 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 annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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A list of Partners is available from the address above

Responsibilities of the Directors for the annual financial statements

The Directors are responsible for the preparation of annual financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the requirements of the Companies Act, 2017 of Zambia, and for such internal control as the Directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the annual financial statements

Our objectives are to obtain reasonable assurance about whether the annual 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 annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual 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 annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors 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.

Report on other legal and regulatory requirements

The Companies Act, 2017 of Zambia

The Companies Act, 2017 of Zambia requires that in carrying out our audit of Kansanshi Mining Plc, we report on whether:

i. as required by section 259 (3)(a), there is a relationship, interest or debt which, ourselves, as the Company Auditor, have in the Company;

ii. as required by section 259 (3)(b), there are serious breaches by the Company's Directors, of corporate governance principles or practices contained in Sections 82 to 122 of Part VII of the Companies Act, 2017of Zambia; and

iii. in accordance with section 250 (2), as regards loans made to a Company Officer (a director, company secretary or executive officer of the company), the Company does not state the:

- particulars of any relevant loan made during the financial year to which the accounts apply, including any loan which was repaid during that year; or
- amount of any relevant loan, whenever made, which remained outstanding at the end of the financial year.

In respect of the foregoing requirements, we have no matters to report.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants
Lusaka

Date 10 March 2025

Andrew Chibuye
Practicing Certificate Number: AUD/F002378
Partner signing on behalf of the firm

Statement of profit or loss and other comprehensive income

	Notes	Year ended 31 December 2024 US$'000	2023 US$'000
Revenue			
Copper		1,735,258	1,388,201
Gold		261,575	127,443
Acid		250	2,621
Tolling revenue		54,914	55,659
Total Revenue		2,051,997	1,573,924
Cost of sales	7	(1,426,568)	(1,389,946)
Gross profit		625,429	183,977
Other income	4	1,288	1,165
Administrative expenses		(135,752)	(145,878)
Other expenses	5	(2,430)	(2,154)
Operating profit		488,535	37,111
Finance income	6	3,475	18,679
Finance cost	6	(20,167)	(30,464)
Adjustment for expected phasing of VAT receipt	6	51,347	9,884
Profit before income tax		523,190	35,210
Income tax expense	9	(160,961)	(18,457)
Profit for the year		362,229	16,753
Other comprehensive income		-	-
Total comprehensive income for the year		362,229	16,753

The notes on pages 12 to 40 are an integral part of these annual financial statements.

Statement of financial position

	Notes	As at 31 December 2024 US$'000	2023 US$'000
EQUITY			
Share capital	10	11,288	11,288
Share premium	10	3,750	3,750
Retained earnings		3,291,884	2,929,655
Total equity		3,306,922	2,944,693
Non-current liabilities			
Deferred income tax	13	454,616	417,325
Asset retirement obligation	14	91,844	85,012
ZCCM VAT Payable	27	54,855	49,849
		601,315	552,186
Total equity and non-current liabilities		3,908,237	3,496,879
ASSETS			
Non-Current Assets			
Long-term Prepayment receivables (EPF)	14a	4,945	4,034
Property, plant and equipment	15	3,205,227	2,617,575
Long-term receivables	16	253,806	240,933
		3,463,978	2,862,542
Current assets			
Inventory	17	433,186	432,142
Trade and other receivables	18a	148,342	127,418
Other non financial assets	18b	134,091	88,945
Cash and cash equivalents		29,738	302,755
Current income tax	9	-	10,503
		745,357	961,763
Current liabilities			
Trade and other payables	20	221,916	326,390
Current income tax	9	67,141	-
Derivative financial instruments	19	403	1,036
Borrowings	26	11,639	-
		301,099	327,426
Net current assets		444,258	634,337
Total assets less current liabilities		3,908,237	3,496,879

The notes on pages 12 to 40 are an integral part of these annual financial statements.

The annual financial statements on pages 8 to 40 were approved for issue by the Board of Directors on ...7...MARCH..2025. and signed on their behalf by:

Godwin Beene
Director

Patrick Wanjelani
Director

Statement of changes in equity

	Share capital US$'000	Share premium US$'000	Retained earnings US$'000	Total equity US$'000
Year ended 31 December 2023				
At start of year	11,288	3,750	3,023,715	3,038,753
Comprehensive Income:				
Profit for the year	-	-	16,753	16,753
Total comprehensive Income for the year	-	-	16,753	16,753
Adjustments arising on ZCCM transaction				
Mineral properties adjustment	-	-	(74,745)	(74,745)
Deferred tax movement on mineral properties adjustment	-	-	22,426	22,426
VAT payable to ZCCM	-	-	(58,494)	(58,494)
At end of year	11,288	3,750	2,929,655	2,944,693
Year ended 31 December 2024				
At start of year	11,288	3,750	2,929,655	2,944,693
Comprehensive Income:				
Profit for the year	-	-	362,229	362,229
Total comprehensive Income for the year	-	-	362,229	362,229
At end of year	11,288	3,750	3,291,884	3,306,922

The notes on pages 12 to 40 are an integral part of these annual financial statements.

Annual financial statements

Statement of cash flows

	Notes	2024 US$'000	2023 US$'000
Cash flows from operating activities			
Profit before income tax		523,192	35,210
Adjustments for:			
- Depreciation	15	285,124	221,606
- Unrealised derivative instruments gain/(loss)		(633)	35
- Loss on disposal of plant and equipment	5	2,430	2,154
- Accretion expense	6	3,462	3,187
- Adjustment for expected phasing of VAT	6	(57,596)	(9,884)
- Other non-cash items		7,236	(2,439)
- Interest Expense		4,395	-
- Interest Income	6	(3,475)	(18,679)
		764,135	231,190
Changes in working capital:			
- Inventory		(1,044)	(67,630)
- Trade and other receivables		(17,255)	(44,900)
- Trade and other payables		(104,859)	171,500
Cash generated from operations		640,977	290,160
Interest Paid		(4,395)	-
Interest received		3,475	18,679
Income taxes paid	9	(46,026)	(36,360)
		594,031	272,479
Cash flows from investing activities			
Purchase of property, plant and equipment	15	(878,687)	(466,600)
		(878,687)	(466,600)
Cash flows from financing activities			
Receipts from borrowings		11,639	-
		11,639	-
Net decrease in cash and cash equivalents		(273,017)	(194,121)
At start of year		302,755	496,876
At end of year		29,738	302,755

The notes on pages 12 to 40 are an integral part of these annual financial statements.

1. General information

Kansanshi Mining PLC. ("Kansanshi" or the "Company") is engaged in mining, prospecting for minerals and processing of ore in the Solwezi area of the North Western Province of Zambia. The Company produces A grade copper cathode, copper anodes and copper in concentrate with acid and gold bullion by-products from its plant located 15 kilometres north of Solwezi. These activities are conducted principally in Zambia.

The Company is incorporated in Zambia under the Companies Act, 2017 of Zambia as a public limited company with limited shareholding, untraded and unquoted shares, and is domiciled in Zambia. The address of its registered office is:

Registered office:	5027 Bird Cage Walk/Haile Selassie Avenue Plot 245/61, Longacres PostNet Box 83 P/Bag E835 Manda Hill, Lusaka
Place of business:	Kansanshi Mining PLC Old Congo Road P.O Box 110385 Solwezi, Zambia

2. Summary of Material accounting policies

The principal accounting policies adopted in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Basis of preparation

The annual financial statements have been prepared in accordance with IFRS Accounting Standards and IFRS Interpretations Committee (IFRS IC), as issued by the International Accounting Standards Board (IASB), and the requirements of the Companies Act, 2017 of Zambia. The accounting policies adopted are consistent with those applied in the prior period. The annual financial statements have been prepared under the historical cost convention unless otherwise stated. The annual financial statements are presented in United States Dollar (US$ or USD), rounded to the nearest thousand ("000").

These annual financial statements have been prepared on a going concern basis. In making the assessment that the Company is a going concern, management have taken into account all available information about the future, which is at least, but is not limited to, twelve months from 31 December 2024. The preparation of annual financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in note 3.

b) Changes in accounting policy and disclosures

New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2024:

2. Summary of Material accounting policies (Continued)

(i) Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.

(ii) Amendments to IAS 12 International Tax Reform—Pillar Two Model Rules

These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

New and amended standards not yet effective and not early adopted by the Company

Effective for annual periods beginning on or after 1 January 2025

(iii) Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability (Amendments to IAS 21)

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

(iv) Amendment to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures" - Classification and Measurement of Financial Instruments

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and

  make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI). amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

2. Summary of Material accounting policies (Continued)

(v) IFRS 18, 'Presentation and Disclosure in Financial Statements'

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

IFRS 18 replaces IAS 1 'Presentation of Financial Statements' and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.an entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

There are no any other changes that would have a significant impact to the company.

c) Foreign currency translation of foreign currencies

i) Functional and presentation currency

Items included in the annual financial statements are measured in United States Dollars, being the currency of the primary economic environment in which the Company operates ("the functional currency"). The annual financial statements are presented in US Dollars ("US$") which is the Company's presentation and functional currency.

ii) Transactions and balances

Foreign currency transactions are translated into US dollar using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents as well as statutory receivables are presented in the statement of profit or loss and other comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other income' or 'other expenses'.

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2. Summary of material accounting policies (Continued)

d) Inventories

Product inventories comprise ore in stockpiles, metal work in progress, metal in concentrate, anode and finished cathode. Product inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads and depreciation and amortisation of plant, equipment and mineral properties directly involved in the mining and production processes but exclude borrowing costs. Consumable stores are valued at weighted average purchase cost. Stripping costs related to production are added to inventory as incurred. Net realisable value is the estimated selling price in the ordinary course of business, less costs of completion and applicable variable selling prices.

When inventories have been written down to net realisable value, a new assessment of net realisable value is made in each subsequent period. When the circumstances that caused the write down no longer exist, the amount of the write down is reversed.

e) Mineral properties and deferred exploration costs

General exploration and associated costs are expensed in the period incurred. Significant property acquisition, exploration and development costs relating to specific properties are deferred until the project to which they relate is sold, abandoned, impaired or placed into production.

Property acquisition and mine development costs, including costs incurred during production to expand ore reserves within existing mine operations, are deferred and amortised on a unit-of-production basis over proven and probable reserves.

f) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost and are subsequently stated at historical cost less accumulated depreciation and accumulated impairment provisions. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced asset is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The Company provides for depreciation on the following basis:

Mineral properties and stripping activity assets	Units of production
Mines, processing facilities and equipment	Units of production / Straight-line 3- 50 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining profit or loss.

2. Summary of material accounting policies (Continued)

f) Property, plant and equipment (Continued)

Capital work in progress is not depreciated until brought into use.

g) Stripping Activity asset costs

The stripping activity assets costs are classified as part of the existing asset of mineral property. After initial recognition, the stripping activity asset is carried at either its cost less depreciation or amortisation and less impairment losses, in the same way as the existing asset of which it is a part of.

h) Asset impairment

Property, plant and equipment, mineral properties and mine development costs are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where information is available and conditions suggest an impairment, estimated future net cash flows for a mine or development project are calculated using estimated future prices, mineral resources, and operating capital and reclamation costs. When estimated future cash flows are less than the carrying value, the project is considered impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Management estimates of mineral prices, recoverable reserves, and operating capital and reclamation costs are subject to certain risks and uncertainties that may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the future that could adversely affect management's estimate of the net cash flow to be generated from its projects.

i) Asset retirement obligations

The Company recognises liabilities for constructive or legal obligations, including those associated with the reclamation of mineral properties and property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of assets. Provisions are measured at the present value of the expected expenditures required to settle the obligation using a pre-tax discount rate reflecting the time value of money and risks specific to the liability.

The liability is increased for accretion expense, representing the unwinding of the discount applied to the provision, and adjusted for changes to the current market-based risk-free discount rate, and the amount or timing of the underlying cash flows needed to settle the obligation.

The associated restoration costs are capitalised as part of the carrying amount of the related long-lived asset and depreciated over the expected useful life of the asset or expensed in the period for closed sites.

2. Summary of material accounting policies (Continued)

j) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of copper cathode, copper and gold in anode, copper in concentrate and gold, and acid, both in local and export markets in the ordinary course of the Company's activities, and revenue from tolling services. Amounts disclosed as revenue are net of returns, trade allowances, rebates, value-added tax (VAT) and amounts collected on behalf of third parties.

The Company identifies contracts with customers, the performance obligations within it, the transaction price and its allocation to the performance obligations. Revenues are recognised when control of the product passes to the customer and are measured based on expected consideration. Control typically passes on transfer of key transportation documents which typically occurs around the delivery date. Transportation services provided are a separate performance obligation and the revenue for these services is recognised over time. All revenue streams are recognised at the point in time.

For provisionally priced sales, changes between the prices recorded upon recognition of revenue and the final price due to fluctuations in metal market prices result in the existence of an embedded derivative in the accounts receivable. This embedded derivative is measured at fair value as determined by active market prices and valuation models, as appropriate, with changes in fair value classified as a component of cost of sales for third party metal sales and adjustment to revenue for related party sales.

In order to mitigate the impact of these adjustments, the Company enters into derivative contracts for approximately 90% of its third-party metal sales, to directly offset the pricing exposure on the provisionally priced contract. The provisional pricing gains and losses and offsetting derivative gains or losses are both recognised as a component of cost of sales.

Derivative assets are presented in other assets and derivative liabilities are presented in other liabilities with the exception of copper and gold embedded derivatives which are included with accounts receivable. Gold revenue results from the sale of gold in ore, gold contained in copper concentrate and gold contained in anode. As at 31 December 2024, substantially all of the Company's third-party metal sales contracts subject to pricing adjustments were hedged by the offsetting derivative contracts.

Revenue also comprises tolling charges on processing of copper concentrate from customers in the ordinary course of the Company's activities. Tolling revenue is recognised when the finished goods are delivered to the customers, which signify the fulfilment of the performance obligation.

Revenue from acid sales is recognised when goods are accepted by the customer, which is at the agreed point of delivery/receipt.

All Revenue streams are recognised at a point in time.

k) Futures sales contract

The Company enters into futures contracts to mitigate the impact of price fluctuations on commodity sales contracts that have a forward pricing. The hedging operations carried out by the Company are not of a speculative nature and the Company does not apply hedge

accounting. Derivative financial instruments are recorded on the Statement of Financial Position at fair value with realised and unrealised gains and losses recorded in profit or loss.

2. Summary of material accounting policies (Continued)

l) Income tax

The Income tax expense or credit for the period comprises current and deferred income tax. Income Tax is recognised in the profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the income tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Zambian Income Tax Act. The current income tax charge is calculated on the basis of the Zambian Income Tax enacted or substantively enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the annual financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

m) Employee benefits

i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

2. Summary of material accounting policies (Continued)

m) Employee benefits (Continued)

ii) Retirement benefit obligations

Employees are registered with the statutory defined contribution pension scheme. A defined contribution scheme is a pension plan under which the company pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees' benefits relating to employee service in the current and prior periods.

For the defined contribution scheme, the Company makes mandatory contributions to the National Pension Scheme Authority (NAPSA). These contributions constitute net periodic costs and are charged to the profit and loss as part of employee benefits expense in the year to which they relate. The Company has no further obligation once the contributions have been paid.

iii) Other entitlements

The estimated monetary liability for employees' accrued annual leave entitlement at the statement of financial position date is recognised as an expense accrual.

Certain employees are entitled to a gratuity when they complete a two-year contract with the Company. An accrual is made for the estimated liability for such entitlement as a result of services rendered by these employees up to the statement of financial position date. The Company recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Company recognises a provision where contractually obliged or where there is past practice that has created a constructive obligation.

n) Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

o) Dividends

Dividends on ordinary shares are charged to equity in the period in which they are declared. Proposed dividends after end of the year are only disclosed as part of related dividend notes.

p) Financial instruments

The Company's financial instruments consist of cash and cash equivalents, deposits held by related parties, trade receivables, trade payables and derivative instruments. Financial assets are classified as measured at amortised cost, fair value through other comprehensive income

("FVOCI") and fair value through profit and loss ("FVTPL"). Financial liabilities are measured at amortised cost or FVTPL.

2. Summary of material accounting policies (Continued)

p) Financial instruments

(i) Cash and cash equivalents
Cash and cash equivalents comprise cash at banks and on hand.

Cash and cash equivalents are measured at amortised cost. Cash pooling arrangements are presented on a gross basis unless physical cash settlement of balances has been made at the statement of financial position date. The carrying amount of cash and cash equivalents approximate to their fair values.

(ii) Trade and other receivables
Provisionally priced sales included in trade and other receivables are classified as FVTPL. All other trade receivables are classified as amortised cost financial assets and are recorded at the transaction price, net of transaction costs incurred and expected credit losses.

(iii) Derivatives and hedging
A portion of the Company's metal sales are sold on a provisional basis whereby sales are recognised at prevailing metal prices when title transfers to the customer and final pricing is not determined until a subsequent date, typically two months later. The Company enters into derivative contracts to directly offset the exposure to final pricing adjustments on the provisionally priced sales contracts. Derivative financial instruments, including embedded derivatives related to the provisionally priced sales contracts, are classified as fair value through profit or loss and measured at fair value as determined by active market prices and valuation models, as appropriate.

(iv) Trade and other payables
Trade and other payables are classified as amortised cost financial liabilities and are recognised initially at fair value, net of transaction costs incurred, and are subsequently stated at amortised cost. For debt, any difference between the amounts originally received, net of transaction costs, and the redemption value is recognised in net earnings over the period to maturity using the effective interest rate method.

Prepayments are initially recognised at cost of consideration paid once it meets the criteria for a prepaid expense and are subsequently carried at cost less amortised amounts.

(v) Impairment of financial assets
Expected credit losses ("ECL") are recognised for financial assets held at amortised cost. This is based on credit losses that result from default events that are possible within a 12-month period, except for trade receivables, whose ECLs are on a simplified lifetime basis, and any financial assets for which there has been a significant increase in credit risk since initial recognition, for which ECLs over the lifetime are recognised.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2024 or 1 January 2025 respectively 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 such as Copper and Gold Prices affecting the ability of the customers to settle the receivables.

3. Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Property, plant and equipment

The Directors determine the useful lives and related depreciation charges for property, plant and equipment. The estimate is based on projected mining life and asset usage. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold, see Note 2 (h) for actual rates used. Where the actual useful lives of the technology division equipment differ by 10% from management estimates, the carrying amount of the equipment would be an estimated US$285.1 million (2023: USD$ 220.5 million higher or USD$ 220.5 million lower).

(ii) Inventory

Product inventory is measured at the lower of cost or net realisable value. The net realisable value of product inventory is based on current market copper prices. The Company estimates the future production and selling costs of product inventory in the determination of the full expected cost of inventory for net realisation value calculation. A 10% drop in current metal prices will have no significant impact as regards the basis of inventory valuation between cost basis and net realisable value.

(iii) Asset retirement obligations (ARO)

The Company records asset retirement obligations at fair value in the period in which the liability is incurred. Fair value is determined based on the estimated future cash flows required to settle the liability discounted at the Company's credit adjusted risk free interest rate. The liability is adjusted for changes in the expected amounts and timings of cash flows required to discharge the liability and accreted over time to its full value. The associated asset retirement costs are capitalised as part of the carrying amount of the related long-lived asset and amortised over the expected useful life. Refer to Note 14 for sensitivity analysis regarding ARO.

(iv) Determination of ore reserves and life of mine plan

Reserves are estimates of the amount of product that can be economically and legally extracted from the Company's properties. Estimating the quantity and/or grade of reserves requires the size, shape and depth of ore bodies or fields to be determined by analysing geological data such as drilling samples. Following this, the quantity of ore that can be extracted in an economical manner is calculated using data regarding the life of mine plans and forecast sales prices (based on current and long-term historical average price trends).

The majority of the Company's property, plant and equipment are depreciated over the estimated lives of the assets on a units-of-production basis. The calculation of the units-of-production rate, and therefore the annual depreciation expense could be materially affected by changes in the underlying estimates which are driven by the life of mine plans. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in the commodity prices used in the estimation of mineral reserves.

3. Critical accounting estimates and judgements (Continued)

(iv) Determination of ore reserves and life of mine plan *(Continued)*

Changes in the proven and probable reserves estimates may impact the carrying value of property, plant and equipment, asset retirement obligation provision, recognition of deferred income tax amounts and depreciation expense amount.

A 10% drop in the copper price and metal costs used to estimate the mineral reserve would not result in a negative Net Present Value for the remaining Mine Life of the Company.

(v) Zambian taxation

The restructuring of the Mineral Royalty tax was enacted on 1 January 2023 and includes an amendment to the calculation of mineral royalty tax to be on an incremental basis. In addition, an amendment to the mineral royalty tax bands determining the mineral royalty tax rate applicable at various price levels has been made, as shown below.

Price ($ per tonne)	Previous Rates
0 – 4,499	5.5%
4,500 – 5,999	6.5%
6,000 – 7,499	7.5%
7,500 – 8,999	8.5%
9,000+	10.0%

Price ($ per tonne)	Revised Rates as of January 1, 2023
0 – 4,000	4.0%
4,001– 5,000	6.5%
5,001– 7,000	8.5%
7,001+	10.0%

The 2025 National budget was presented on September 27, 2024 by the Minister of Finance and National Planning, under the theme "Building resilience for Inclusive Growth and Improved Livelihoods". No significant changes were announced to the mining tax regime, with the Minister affirming his commitment to maintaining stable and predictable tax policies to encourage investment.

In 2022, the Company reached an agreement with the Government Republic of Zambia (GRZ) for repayment of the outstanding VAT claims based on offsets against future corporate income tax and mineral royalty tax payments. This commenced July 1, 2022.

The total VAT receivable accrued by Kansanshi at 31 December 2024 was US$359 million (2023: US$314 million). Offsets/cash of US$205 million (2024: US$144 million) against other taxes due have been granted during the year ended 31 December 2024. Future recoveries of Zambian VAT receivable balances due to the Company may be received in cash offset of other tax liabilities or similar forms. The Company considers that the outstanding VAT claims are fully recoverable and has classified all VAT balances due to the Zambian operations based on the expected recovery period. As at 31 December 2024 amounts totalling US$ 107 million are presented as current.

A US$ 57 million (2023: US$9 million) gain on Zambian VAT receipts was recognised in the year ended 31 December 2024, representing the expected phasing of recoverability of the receivable amounts. Unrealised foreign exchange gains of US$ 5.4 million (2023: US$9 million) on the current VAT have been recognised against the receivable in the year ended December 2024.

The significant estimates and judgements in relation to this VAT receivable balance are disclosed in Note 16.

(vi) Litigation in progress

The Company makes significant estimates and judgements in relation to the on-going litigation disclosed in Note 22 as at 31 December 2024. Estimates are made on plausible outcomes and exposure in consultation with professional advice.

4. Other income

	2024	2023
	US$'000	US$'000
Sundry income	(1,288)	(1,165)

5. Other expenses

	2024	2023
	US$'000	US$'000
Loss on disposal of property plant and equipment	2,430	2,154

6. Finance income and costs

	2024	2023
	US$'000	US$'000
Finance income		
Interest income from related party loan (Kabitaka)	1,241	3,176
Interest income from third-party short-term deposit placements	2,234	15,503
	3,475	18,679
Finance costs		
Accretion expenses (Note 14)	3,462	3,187
Net foreign exchange loss on VAT and cash and cash equivalents	16,705	27,276
	20,167	30,464
Adjustment for expected phasing of VAT		
Adjustment for expected phasing of Zambian VAT Receipt	51,347	9,884
Net finance costs	74,989	59,027

7. Cost of sales

	2024	2023
	US$'000	US$'000
Direct operating costs	1,141,444	1,168,371
Depreciation of property plant and equipment (Note 15)	285,124	221,575
	1,426,568	1,389,946

8. Expenses by nature

Operating profit is arrived at after deducting the following expenses:	2024	2023
	US$'000	US$'000
Mining contractor costs	-	260,589
Electricity	150,080	117,761
Consumable inventory expensed	530,070	324,033
Auditor's remuneration	175	181
Retirement benefits expense: National Pension Scheme Authority (NAPSA) defined contributions scheme	3,472	2,540
Employee Costs	167,862	134,456
Mineral royalty tax	119,684	80,881
Movement in ore stockpiles	28,252	(947)
Deferred stripping costs*	(204,843)	(137,531)
Movement in finished goods inventory	5,465	18,187
Concentrate purchases	265,067	298,695
ZCCM Royalty	54,508	56,134
Other expenses	442,527	13,902
Total cost of sales and administrative expenses	**1,562,319**	**1,524,846**

* The deferred stripping cost in 2024 increased by $67.31 million compared to 2023 due to more volumes being mined from South East Dome and Main 18 mining areas, than in 2023. South East Dome is the biggest of all the cutbacks being mined.

9. Income tax expense

	2024	**2023**
	US$'000	**US$'000**
Current income tax:		
- Current income tax on profits for the year	146,891	43,256
- Over Provision adjustment - 2023	(17,133)	-
- Foreign exchange (loss) due to ZRA indexing of tax payments	(6,088)	(552)
Total current income tax	123,670	42,704
Deferred income tax:		
Total deferred income tax (credit)(Note 13)	37,291	(24,247)
Income tax expense	**160,961**	**18,457**

The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:	**2024**	**2023**
	US$'000	**US$'000**
Profit before income tax	523,190	35,210
Income taxes at the statutory tax rate of 30% (2023: 30%)	156,957	10,563
Tax effects of:		
- Non – deductible expenses for tax purposes:		
- Foreign exchange movements	(6,088)	(552)
- Housing benefit	450	420
- Other non-deductible expenses	9,642	8,026
Income tax expense	**160,961**	**18,457**

Income tax assessments for the period ending 31 December 2020 have been finalized and settled with the Zambia Revenue Authority (ZRA). Self-assessed income tax returns have been filed in compliance with statutory requirements for the years up to 31 December 2024. In September 2024, a comprehensive tax audit covering the periods 2021 to 2023 was conducted by ZRA. The audit is currently in progress, and the final audit report and findings are yet to be received from the tax authority. As of the reporting date, no material adjustments have been identified or recognized in the financial statements, pending the conclusion of the audit.

Tax losses

Tax losses are available for carrying forward for a maximum of five (5) years on hedging losses.

The Company tax losses are as below:

	Accounting Date	Tax loss - US$'000	Expiry Date
Realised hedging losses	31-Dec-20	8,674	31-Dec- 2025
Realised hedging losses	31-Dec-21	5,389	31-Dec- 2026
Realised hedging losses	31-Dec-24	909	31-Dec- 2029

Current income tax movement in the statement of financial position

	2024	**2023**
	US$'000	**US$'000**
At start of year	(10,503)	(16,847)
Current income tax charge on profits for the year	146,891	43,256
Foreign exchange gain/(loss)	(6,088)	(552)
Payments in the year	(46,026)	(36,360)
(Over)/Under provision	(17,133)	-
At end of year	67,141	(10,503)

10. Share capital
Authorised

3,000,000 class A ZCCM-IH shares with a par value of US$1.00
3,750,000 class B FQM shares with a par value of US$0.01
27,000,000 class C FQM shares with a par value of US$1.00

Each share of class A, B and C have equal voting rights. Class A shares have limited dividends rights following the conversion of ZCCM dividend rights to royalty rights.

Issued and fully paid up

	Number of shares (000's)	Share Capital Class A US$'000	Share Capital Class B US$'000	Share Capital Class C US$'000	Share capital total US$'000	Share premium US$'000	Total US$'000
Year ended 31 December 2024							
At start and end of year:							
- Class A	3,000	3,000	-	-	3,000	1,000	4,000
- Class B	3,750	-	38	-	38		38
- Class C	8,250	-	-	8,250	8,250	2,750	11,000
		3,000	38	8,250	11,288	3,750	15,038

11. Dividends per share

During the year, the Company did not declare and pay any dividends (2023: Nil).

12. Share based payments

The share-based payments are cash settled by the Company and an amount of US$3.1 million was charged to statement of comprehensive income for the year ended 31 December 2024 (2023: US$6.1million) and included as part of employee benefit costs (Note 8).

13. Deferred income tax

Deferred income tax relates to smelter tolling income, hedging income and mining activities calculated at the enacted tax rate of 30%. Under the current legislation, both mining and tolling income qualify to be taxed as income arising from mining operations.

The movement on the deferred income tax account is as follows:

	2024 US$'000	2023 US$'000
At start of year	417,325	463,998
Adjustment to PPE - equity	-	(22,426)
Charge for the year – profit and loss	37,291	(24,247)
At end of year	454,616	417,325

The Company registered a taxable profit on mining activities of US$486 million (2023: profit of US$122.5 million), taxable income on interest of US$3.5 million (2023: US $18.7 million) and a taxable loss on realised hedging activities of US$0.9 million (2023: US$0.1 million) resulting into a tax charge of US$ 146.9 million (2023: US$43.2 million) on mining operations and a carry forward

Loss on hedging of US$ 14.9 million (2023: US$14.1 million). For the year ended 31 December 2024, there was nil (2023: nil) carry forward losses on mining activities.

13. Deferred income tax (Continued)

Deferred income tax assets and liabilities and deferred income tax expense in the statement of profit or loss and other comprehensive income are attributable to the following items:

	1.1.2024 US$'000	Charged/ (credited) to profit or loss US$'000	Charged/ (credited) to equity US$'000	31.12.2024 US$'000
Year ended 31 December 2024				
Deferred income tax liabilities				
Property, plant and equipment	530,270	20,838	-	551,108
	530,270	20,838	-	551,108
Deferred income tax assets				
Foreign Exchange on VAT Receivable	(4,212)	957		(3,255)
Asset retirement obligation	(25,930)	(1,039)	-	(26,969)
VAT adjustment for expected phasing of receipts	(51,787)	14,665	-	(37,122)
Accounts Payable and accruals	(3,147)	420	-	(2,727)
Adjustment to PPE	(22,426)	-	-	(22,426)
Accounts Receivable	(739)	739	-	-
Derivative financial instruments	(4,704)	711	-	(3,993)
	(112,945)	16,453	-	(96,492)
Net deferred income tax liability	417,325	37,291	-	454,616

	1.1.2023 US$'000	Charged/ (credited) to profit or loss US$'000	Charged/ (credited) to equity US$'000	31.12.2023 US$'000
Year ended 31 December 2023				
Deferred income tax liabilities				
Property, plant and equipment	554,551	(24,281)	-	530,270
	554,551	(24,281)		530,270
Deferred income tax assets				
Foreign Exchange on VAT Receivable	(1,116)	(3,096)	-	(4,212)
Asset retirement obligation	(26,886)	956	-	(25,930)
VAT adjustment for expected phasing of receipts	(54,752)	2,965		(51,787)
Accounts Payable and accrual	(2,333)	(814)	-	(3,147)
Adjustment to PPE	-		(22,426)	(22,426)
Derivative financial instruments	(739)	-		(739)
	(4,727)	23		(4,704)
	(90,553)	34	(22,426)	(112,945)
Net deferred income tax liability	463,998	(24,247)	(22,426)	417,325

14. Asset retirement obligation (ARO)

The movement in the provision for asset retirement obligation is as follows:

	2024 US$'000	2023 US$'000
At start of year	85,012	89,620
Changes in estimates	3,370	(7,795)
Accretion expense (Note 6)	3,462	3,187
At end of year	91,844	85,012

An internal update on the mine-wide asset retirement obligation (ARO) was conducted in 2023. This follows works done in 2022 by WSP, a third party environmental consultant. WSP acquired Golder Associates who have been reviewing and updating the ARO every alternate year, with works carried out in 2014, 2016, 2018 and 2020. For 2024, a third party update was conducted by SRK Consulting (Global) Limited.

The closure related knowledge base and assumptions that applied to the previous ARO determinations remained largely the same in 2024. As could be expected from a dynamic mining operation, changes and improvements occurred. While none of these increases made a material difference to the overall ARO, increases were noted mainly in areas being cleared for S3 Project development. This included the S3 main project site, S3 power line servitudes, Hitachi truck assembly pad, new tailings line route from S3, and TSF 2 embankment construction.

Based on this assessment, there was an increase in the liability for ARO and remediation on an undiscounted basis after an inflation factor of 3% (2023: 3%) of approximately US$6.83 million (2023: US$4.6 million). The adjusted risk-free discount factor of 4.73% was applied in 2024 (2023: 4%).

The changes in cash flow estimates result from new fair value estimates of the asset retirement obligation. An impact of a 10% movement in the inflation rate results into US$6.36 million (2023: US$5.3 million) change in the retirement and remediation liability while a 10% movement in the discount rate results into a US$9.05 million (2023: US$6.6 million) change in the liability and corresponding mineral properties asset. For each mining area, the ARO cash outflows have been estimated to occur after the end of the mining over a period which is between 4 to 8 years.

a) Environmental Protection Fund (EPF)

Cash contributions to the Environmental Protection Fund (EPF)
Cash contributions are a statutory requirement of the EPF, governed by the Mines and Minerals Act of Zambia. Following an audit performed by the Mines Safety Department (MSD) in 2024, the MSD revised their assessment of the total closure costs to USD$98.88 million. The Company was classified as a performance category 1. Category 1 mines are required to make a cash contribution of 5% of the total closure costs to the EPF and resulted in an additional contribution to the EPF in the year of USD$0.91 million. The cumulative balance amounting to USD$4.95 million is classified as Environmental Protection Fund under non-current assets on the statement of financial position. Cash contributions will be refunded to the Company on the issuance of the mine closure certificate by the Government of the Republic of Zambia.

	2024 US$'000	2023 US$'000
Environmental Protection Fund Cash contribution	4,945	4,034
	4,945	4,034

14. Asset retirement obligation (ARO) (Continued)

a) Environmental Protection Fund (EPF) (Continued)

Corporate and bank guarantee relating to the EPF

During 2019, the Company secured a Self-Guarantee Environmental Protection Fund (EPF) with the Mines Safety Department (MSD). The agreement, which was signed on 27th January 2021, enabled the Company to utilize non-cash collateralized guarantees. MSD administer the EPF requirement on behalf of Ministry of Mines. This continued to be in force in 2024. In addition, the Company provides a bank guarantee to the MSD for a portion of the assessed closure costs.

15. Property, plant and equipment

	Mineral properties and stripping activity asset US$'000	Mines, processing facilities and equipment US$'000	Capital work-in-progress US$'000	Total US$'000
At 1 January 2023				
Cost	902,067	3,476,863	448,096	4,827,026
Accumulated depreciation	(633,305)	(1,790,105)	-	(2,423,410)
Net book amount	268,762	1,686,758	448,096	2,403,616
Year ended 31 December 2023				
Opening net book amount	268,762	1,686,758	448,096	2,403,616
Additions	-	-	528,383	528,383
CWIP transfers	-	143,063	(143,063)	-
Disposals/Adjustments	(8,195)	(9,878)		(18,073)
Adjustment arising from ZCCM dividend conversion	(74,745)	-	-	(74,745)
Depreciation charge	(61,297)	(160,309)	-	(221,606)
Closing net book amount	124,525	1,659,634	833,416	2,617,575
At 31 December 2023				
Cost	819,127	3,610,048	448,096	4,877,271
Accumulated depreciation	(694,602)	(1,950,416)	385,320	(2,259,696)
Net book amount	124,525	1,659,634	833,416	2,617,575
Year ended 31 December 2024				
Opening net book amount	124,525	1,659,634	833,416	2,617,575
Additions	-	-	878,687	878,687
CWIP transfers	250,936	211,803	(462,739)	-
Adjustments	-	(5,910)	-	(5,910)
Depreciation charge	(105,027)	(180,097)	-	(285,124)
Closing net book amount	270,434	1,685,430	1,249,364	3,205,228
At 31 December 2024				
Cost	1,070,063	3,803,889	1,249,364	6,123,316
Accumulated depreciation	(799,629)	(2,118,459)	-	(2,918,088)
Net book amount	270,434	1,685,430	1,249,364	3,205,228

There was an increase of US$3.4 million (2023: US$ 7.8 million) change in estimate in the ARO liability which was included in the Mineral Properties. This doesn't have an impact on capital additions.

15. Property, plant and equipment (Continued)

Included within capital work-in-progress and mineral properties – open pit mines at 31 December 2024 is an amount of US$204.84 million (2023: US$ 137.5 million) related to capitalized deferred stripping costs. Included in the PPE cost is an amount of US$1,058.75 million of fully depreciated assets still in use.

The register showing the details of buildings and land, as required by the Section 30 of the Companies Act, 2017 of Zambia, is available during business hours at the registered office of the Company.

16. Non-current statutory receivables

	2024 US$'000	2023 US$'000
Non-current VAT receivable	366,580	409,544
Accumulated VAT adjustment for expected phasing of receipts	(115,027)	(172,623)
	251,553	236,921
Total (Z) Ltd Excise duty receivable	2,253	4,012
	253,806	**240,933**

As at 31 December 2024, the Company classified US$ 366.7 million (2023: US$409.5 million) as non-current VAT receivable and US$ 114 million (2023: US$75.4 million) as Current VAT receivable before Foreign Exchange and adjustment for phasing of receipts. A finance adjustment of US$57.6 million (2023: US$9.8 million) was recognised during the year on the VAT for the expected phasing of receipts decreasing the accumulated time value discounting value to US$115 million (2023: US$172.6 million). representing the discounting over the expected timeframe to repayment.

In 2022, Kansanshi reached an agreement with the GRZ in respect of the outstanding Zambian value-added tax receivable sum including an approach for repayment based on offsets against future corporate income taxes and mineral royalties.

The adjustment for expected phasing for the non-current portion represents the application of an appropriate discount rate of 10% (2023: 11.7%) to the expected recovery of VAT based on the agreement that has been reached for the offsetting of the VAT receivable against future corporate income taxes and mineral royalties.

Included as part of the Non-current receivables is an amount of US$2.3 million (2023: US$2.9 million) pertaining to Excise duty receivable from Total Zambia (ultimately owed by ZRA).

17. Inventory

	2024 US$'000	2023 US$'000
Ore in stockpiles (at cost)	102,596	130,848
Finished copper (at cost)	6,710	14,416
Work-in-progress (at cost)	30,117	27,877
Consumable stores (at cost)	305,662	287,153
Provisional for Obsolete stock	(11,899)	(28,152)
	433,186	432,142

The cost of inventories recognised as an expense and included in "cost of sales" amounted to US$530.07 million (2023: US$324.03 million) and comprises of consumable stores.

18a. Trade and other receivables

	2024 US$'000	2023 US$'000
Trade receivables	46,953	22,915
Amounts due from related parties (Note 21(iii)	96,671	101,139
Other receivables	4,718	3,364

18b. Non-financial assets:

Prepayments	27,141	13,546
VAT Receivable	106,950	75,399

Information about the impairment of trade and other receivables, their credit quality and the Company's exposure to credit risk and foreign currency risk can be found in Note 25.

The carrying amount of the trade and other receivables approximate to their fair values.

19. Derivative financial instruments

	2024 US$'000	2023 US$'000
Forward sales contracts		
Copper	403	1,036
	403	1,036
Of which:		
Current asset	-	-
Current liability	403	1,036
	403	1,036

20. Trade and other payables

	2024 US$'000	2023 US$'000
Trade payables	26,007	140,479
Amounts due to related parties (Note 21(iv))	55,583	87,170
Accrued – other expenses	55,607	64,304
Other payables	63,435	20,335
Non-financial liabilities – Statutory liabilities:		
Mineral royalty tax	12,207	7,273
Pay As You Earn (PAYE)	9,077	6,829
	221,916	326,390

The carrying amount of the payables and accrued expenses approximate to their fair values.

21. Related party transactions

The Company is controlled by Kansanshi Holdings Limited, incorporated in Ireland, which owns 80% of the Company's shares. The remaining 20% shareholding in the Company is held by ZCCM-IH PLC., incorporated in Zambia. The ultimate controlling party and ultimate parent of the Company is First Quantum Minerals Limited, incorporated in Canada.

There are other companies that are related to Kansanshi Mining Plc through common shareholdings or common directorships.

The following transactions were carried out with related parties:

(i) Sales of goods and services	**Nature of Transaction**	**2024 US$'000**	**2023 US$'000**
Fellow subsidiaries:			
FQM Trading AG	Sale of finished products – copper and gold in anode	1,573,732	1,243,652
FQM Trident Limited	Tolling charges and sale of gold in anode	178,657	77,612
Minera Panamá	Expenses paid on behalf of company	16	15
Kabitaka Hills Development Corporation	Interest received net of charges	138	3,176
Mauritania Copper Mines	Expenses paid on behalf of company	-	1
First Quantum Mining and Operations Limited	Sale of stores issues and others	4,982	266
		1,757,525	**1,324,722**

(ii) Purchase of goods and services	**Nature of transaction**	**2024 US$'000**	**2023 US$'000**
Ultimate parent company			
First Quantum Minerals Ltd (Canada)	Service charge and Expenses paid on behalf of the Company	3,676	13,007
Fellow subsidiaries			
First Quantum Mining and Operations Limited	Mining and other related services	15,453	376,420
FQM Trading Ltd	Services	202	-
Cobre Las Cruces, S.A	Services	23	-
FQM Trident Limited	Used Oil and store issue purchases	3,512	796
First Quantum Minerals (UK) Ltd	Service Charge	9,127	7,272
First Quantum Minerals Australia (Pty) Limited	Service Charge	20,016	19,670
First Quantum Minerals SA (Pty) Limited and other South Africa subsidiaries	Service fees and other materials	17,652	2,135
Panama	Goods and Services	2,375	
Kafue Transport Services Limited	Flight travel services of the Company	1,278	1,910
		73,314	**421,210**

21. Related party transactions (Continued)

(iii) Amounts due from fellow subsidiaries - Accounts receivable:		
First Quantum Mining and Operations Limited	5,845	862
FQM Trading AG	72,361	41,396
FQM Trident Limited	18,289	21,004
Kabitaka Hills Development Corporation	174	37,876
Kalumbila Town Development Corp	2	1
	96,671	**101,139**

iv) Amounts due to related parties -:	2024	2023
Ultimate parent company	**US$'000**	**US$'000**
First Quantum Minerals Limited (Canada)	-	610
ZCCM Royalty Payable	13,808	7,201
Fellow subsidiaries:		
First Quantum Mining and Operations Limited	26,711	78,664
Kabitaka Hills Development Corporation	347	2,472
Kalumbila Town Development	2	-
FQM Trident Limited	2,444	193
Kiwara Netherlands BV	11,639	-
FQM Trading Limited	925	-
First Quantum Minerals (UK) Limited	3,689	(600)
Minera Panama, SA.	114	-
First Quantum Minerals SA (Pty)	2,000	3,472
FQM Global Service (Pty)	40	(188)
FQM Support Service (Pty)	74	47
FQM Technical Services	87	67
Kafue Transport Services Limited	697	359
First Quantum Minerals Ltd (Australia)	1,012	2,074
International Mining Development	1,196	-
	64,785	**94,371**

Amount payable to and receivable from related parties are governed by individual agreements with a requirement to settle outstanding balances on a monthly basis.

All trade receivables from related parties are unsecured and credit period term is same as for third parties.

None of the amounts receivable from related parties are past due or impaired and repayments have been received regularly and on time historically.

21. Related party transactions (Continued)

(v) Key management compensation

Key management personnel include all the heads of department at Kansanshi Mining PLC and superintendents.

	2024 US$'000	2023 US$'000
Cash settled share based employment benefits	689	9,200
Salaries and other short-term employment benefits	9,975	8,897
Retirement benefits:		
Defined pension contribution (NAPSA)	42	19
	10,706	18,116

(vi) Directors' remuneration

	2024 US$'000	2023 US$'000
Fees for services as director	2	2

22. Contingent liabilities

(i) Former employees

The Company had legal proceedings at 31 December 2024 arising from court cases with former employees. The Directors believe that the possibility of any material losses arising from the pending legal proceedings against the company is remote and immaterial.

(ii) Other contingent liabilities

The Company had a standby letter of credit of US$18.78 million (2023: US$ 15.2 million) with ABSA Bank Zambia as an environmental guarantee.

23. Commitments

Capital commitments

The Company had capital commitments of approximately US$73.1 million (2023: US$311.8 million) in respect of the purchase of property, plant and equipment at 31 December 2024 approved by the board and contracted out.

24. Financial instruments

The Company's activities expose it to a variety of risks arising from financial instruments. These risks, and management's objectives, policies and procedures for managing these risks are disclosed as follows:

Fair values

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

24. Financial instruments (Continued)

Financial liabilities are recorded initially at fair value and subsequently measured at amortised cost using the effective interest rate method with the exception of derivative instruments that continue to be measured at fair value.

	Financial assets at amortised cost US$'000	Financial liabilities at amortised cost US$'000	Financial assets at FVTPL US$'000	Financial liabilities at FVTPL US$'000
Year ended 31 December 2024				
Financial assets				
Cash and cash equivalents* (includes restricted cash)	29,738	-		-
Trade receivables	-	-	46,953	-
Amounts due from related parties	-	-	96,671	-
Other receivables (excludes prepayments)	65,434	-	-	-
Financial liabilities				
Trade payables	-	26,007	-	-
Borrowings	-	11,639		
Amounts due to related parties	-	39,338	-	-
Other payables (excluding statutory payables)	-	135,287	-	-
Derivative Financial Instruments	-	-	-	403
	95,172	212,271	143,624	403

	Financial assets at amortised cost US$'000	Financial liabilities at amortised cost US$'000	Financial assets at FVTPL US$'000	Financial liabilities at FVTPL US$'000
Year ended 31 December 2023				
Financial assets				
Cash and cash equivalents*	302,754	-	-	-
Trade receivables	-	-	22,915	-
Deposits held by related parties	37,677	-	63,458	-
Amounts due from related parties	-	-	3,385	-
Other receivables	3,364	-	-	-
Financial liabilities	-	-	-	-
Trade payables	-	140,479	-	-
Amounts due to related parties	-	87,170	-	-
Other payables (excluding statutory payables)	-	84,639	-	-
Derivative financial instruments	-	-	-	1,036
	343,795	312,288	89,758	1,036

24. Financial instruments (continued)

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The financial assets and liabilities measured at fair value are categorised into the following fair value hierarchies:

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Year ended 31 December 2024				
Trade receivables	-	46,953	-	46,953
Amounts due from related parties	-	96,671	-	96,671
Other receivables (excludes prepayments)	-	-	65,434	65,434
Total financial assets	**-**	**143,624**	**65,434**	**209,058**
Copper & gold forward contracts	-	403	-	403
Total financial liabilities	**-**	**403**	**-**	**403**
Year ended 31 December 2023				
Trade receivables	-	22,915	-	22,915
Amounts due from related parties	-	63,458	-	63,458
Other receivables (excludes prepayments)	-	-	3,385	3,385
Total financial assets	**-**	**86,373**	**3,385**	**89,758**
Copper & gold forward contracts	-	1,036	-	1,036
Total financial liabilities	**-**	**1,036**	**-**	**1,036**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including commodity price risk, interest rate risk and foreign exchange risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The Company does not hedge any of its risk exposures.

25. Financial risk management

Financial risk management is carried out by the Finance department under policies approved by the Board of Directors.

a) Credit risk

The Company's credit risk is primarily attributable to short-term deposits, highly liquid investments, derivative instruments and accounts receivable. The Company limits its credit exposure on cash held in bank accounts by holding its key transactional bank accounts with highly rated financial institutions. The

Company manages its credit risk on short-term deposits by only investing with counterparties that carry investment grade ratings as assessed by external rating agencies and spreading the investments across these counterparties. Under the Company's risk management policy, allowable counterparty exposure limits are determined by the level of the rating unless exceptional circumstances apply. A rating of investment grade or equivalent is the minimum allowable rating required as assessed by international credit rating agencies. Likewise, it is the Company's policy to deal with banking counterparties for derivatives who are rated investment grade or above by international credit rating agencies and graduated counterparty limits are applied depending upon the rating.

Exceptions to the policy for dealing with relationship banks with ratings below investment grade are reported to, and approved by, the Board of Directors. As at 31 December 2024, substantially all cash and short-term deposits are with counterparties of investment grade.

The Company's credit risk associated with trade and other receivable are managed through establishing long term contractual relationships with international trading companies using industry-standard contract terms.

The Company's maximum exposure to credit risk at 31 December 2024 was US$ 238.8 million (2023: US$433.5 million). No collateral is held for any of the receivable. All receivables are within their approved credit limits and no receivables have been impaired or had their terms renegotiated.

All receivables that are neither past due nor impaired are within their approved credit limits. The Company does not use external credit ratings for the purposes of assessing credit quality. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates. All receivables from related parties are with parties that the Company has a history of trading with and there has been no history of default. No collateral is held for any of the assets. Other accounts receivable consist of amounts owing from government authorities in relation to the refund of value-added taxes applying to inputs for the production process and property, plant and equipment expenditures and prepaid taxes.

The following amounts (which are due within 30 days of the end of the month in which they are invoiced) are past due but not impaired and are classified as current receivable:

	2024 US$'000	2023 US$'000
Past due but not impaired:		
- by up to 30 days	88,359	73,550
- by greater than 30 days	2,291	6,460
Total past due but not impaired	90,650	80,010

No receivables were individually determined to have been impaired. Refer to Note 2(s) impairment of trade receivables for process of impairment review.

25. Financial risk management (Continued)

b) Liquidity risk

The Company manages liquidity risk by maintaining cash and cash equivalent balances and available credit facilities to ensure that it is able to meet its short term and long term obligations as and when they fall due. Company-wide cash projections are managed by the Finance Manager in collaboration with FQM Group and regularly updated to reflect the dynamic nature of the business and fluctuations caused by commodity price and exchange rate movements.

Contractually obligated cash flow requirements are as follows:

	< 1 year US$'000	1-2 years US$'000	2-5 years US$'000	> 5 years US$'000	Total US$'000
31 December 2024					
Trade and other payables (excluding statutory liabilities)	200,630	-	-	-	200,630
Borrowings	11,639	-	-	-	11,639
Asset retirement obligation	-	-	-	91,844	91,844
Derivative Financial Instruments	403	-	-	-	403
	212,672	-	-	91,844	304,516

31 December 2023	< 1 year US$'000	1-2 years US$'000	2-5 years US$'000	> 5 years US$'000	Total US$'000
Trade and other payables (excluding statutory liabilities)	312,288	-	-	-	312,288
Asset retirement obligation	-	-	-	85,012	85,012
Derivative Financial Instruments	1,036	-	-	-	1,036
	313,324	-	-	85,012	398,336

c) Market risks

The significant market risks to which the Company is exposed are commodity price risk and foreign exchange risk.

i) Commodity price risk

The Company is subject to price risk from fluctuations in the market prices of copper and gold. The Company has a policy allowing active management of this exposure through the use of derivative financial instruments; however, to date, the Company has entered into derivative positions only as required by lending agreements.

The Company's commodity price risk related to financial instruments primarily relates to changes in fair value of embedded derivatives in accounts receivable and existing copper and gold futures contracts.

25. Financial risk management (Continued)

c) Market risks (continued)

i) Commodity price risk (continued)

The impact of a 10% movement on commodity prices is as follows:

		Impact of price change on profit or loss after tax and equity	
		10% increase US$'000	10% decrease US$'000
31 December 2024			
Accounts receivable			
Copper			
Provisional tonnes	29,422	25,562	(25,562)
Forward average price (US$/tonne)	US$8,680		
Gold			
Provisional ounces	13,446	3,548	(3,548)
Forward average)	US$2,639		
		29,110	(29,110)

		Impact of price change on profit or loss after tax and equity	
		10% increase US$'000	10% decrease US$'000
31 December 2023			
Accounts receivable			
Copper			
Provisional tonnes	27,086	22,992	(22,992)
Forward average price (US$/tonne)	US$8,489		
Gold			
Provisional ounces	9,975	2,060	(2,060)
Forward average)	US$2,065		
		25,052	(25,052)

ii) Foreign currency exchange risk

The Company's functional and reporting currency is U.S. Dollars ("USD"). Commodity sales are denominated in USD and the majority of operating expenses are denominated in USD. The Company's primary foreign currency exchange exposures are to the Zambian Kwacha ("ZMW"); to the local currencies of suppliers who provide capital equipment for project development, principally the Australian Dollar ("AUD") and South African Rand ("ZAR").

The Company's risk management policy allows for the management of exposure to local currencies through the use of financial instruments at a targeted amount of up to 75% for committed exposures within one year down to 25% for estimated exposures in five years.

25. Financial risk management (Continued)

iii) Foreign currency exchange risk

At 31 December 2024, with other variables unchanged, a 10% (2023: 40%) change in value of the US Dollar against the Zambian Kwacha (ZMW), with other variables unchanged, would result into US$6.7 million (2023: US$ 90.7 million) impact on profit or loss after tax and shareholder equity.

At 31 December 2024, with other variables unchanged, a 10% change in value of the US Dollar against the Australian Dollar ("AUD") and South African Rand ("ZAR"), with other variables unchanged, would not result into a material (2023: material) impact on profit or loss after tax and shareholder equity.

iv) Interest Rate risk

At 31 December 2024, with other variables unchanged, a 10% (2023: nil) change in the SOFR and Interest rate, with other variables unchanged, would result into US$0.45 million (2023: nil) impact on the Statement of Financial position.

c) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may limit the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The capital of the Company refers to working capital (difference between current assets and current liabilities), replacement capital (capital expenditure to replace productive capacity consumed during the reporting period) and sustaining capital (all expenditure to acquire or upgrade physical assets). It also relates to transfers to reserves and servicing of debt finance or any financing agreements to which the Company is party to at any relevant time. The Company is meeting the objective by maintaining a debt equity ratio of 30:70 as required by the shareholder agreement as well as transferring profits to reserves.

26. Borrowings

On the 4th March, 2024, the Company entered into a draw down loan facility with a related party called Kiwara Netherlands BV. The maximum amount on this facility is $1.5 billion and it is for the support of the construction and development of the S3 Expansion Project with a maturity date of 4th March, 2031. The underlying interest rate for this facility is charged at SOFR plus a 4.5% margin and is payable in June and December of each of year. The Company has been drawing and making payments towards the facility and the balance outstanding as at 31st December 2024 is $11.64 million

The Company had US$11.64 million borrowings during the year (2023: Nil) and as such, as at 31 December 2024, the Company's gearing was 0.35%.

27. ZCCM VAT Payable

On April 4, 2023, the Company's subsidiary, KMP and ZCCM Investments Holdings Plc "ZCCM-IH" completed the agreement to convert ZCCM-IH's dividend rights to a 3.1% royalty interest in KMP. The transaction also provides for 20% of the KMPVAT refunds as at June 30, 2022 to be paid to ZCCM-IH, as and when these are received by KMP from the Zambia Revenue Authority ("ZRA)". As at December 31, 2024, a VAT payable to ZCCM-IH of $54.8 million, net of adjustment for expected phasing of payments, and an expense of $5 million for the year ended December 31, 2024, has been recognized.

VAT refunds payable to ZCCM of US$ 1.8 million (2023: US$7.2 million) were settled by way of dividends in the year based on the ZCCM Class A shares.