Ministry of Industry
& Mineral Resources

Kingdom of Saudi Arabia Exploration Licensing Round of Umm Ad Damar Cu/Au (Ag/Zn)

Ministry of Industry and Mineral Resources

Mineral Exploration
Investment Opportunities - 2022

INVEST SAUDI

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Message from His Excellency Mr. Bandar bin Ibrahim Al-Khorayef

His Excellency
Mr. Bandar bin Ibrahim Al-Khorayef
Minister of Industry and Mineral Resources

Economic diversification is the foundation of **Saudi Arabia's Vision 2030**, and the mining and industrial sectors are critical to the strategy through increasing local production, exports, job opportunities and investments in line with the Vision 2030 targets.

Today, thanks to Saudi Arabia's recently revised Mining Investment Law, along with a revamped overall legal and regulatory framework, investors will benefit from a simple, completely transparent process for gaining a license and setting up operations.

The recent reform of the mining investment law means foreign ownership is now possible. We offer incentives to attract the investors qualified to deliver value for the mining sector and the entire value chain. These new incentives include **co-funding of up to 75%** of any new investment, a **five-year royalty holiday** for miners and **royalty discounts** for downstream projects. Last but not least, we are creating this attractive environment in a way that meets global standards in sustainability.

This is a clear representation of the government's priority to building a solid foundation for mining as the third pillar of the country's growth, and we are confident in our ambitions. Some of our goals are to increase mining's GDP contribution by nearly 300% to $64 bn, and nearly triple mining's revenue contribution from $1.3 to $3.7 billion. To support economic diversification, we also aim to increase mining sector employment from 250,000 to nearly 400,000.

The Kingdom's first mineral licensing round for Khnaiguiyah opened a new chapter in our journey towards unlocking our country's vast mineral resources by fast-tracking exploration activity. Khnaiguiyah project is currently at the Proposal stage, with a license winner to be announced by end of June 2022.

With the first licensing round well underway, the Kingdom is now looking towards launching further opportunities, with Umm Ad Damar and Muhaddad and is planning to release further licenses by the end of this year.

Umm Ad Damar is an early exploration project hosted in area of the Sayid Formation of the Arj Group, with geological similarities to the Jabal Sayid deposit.

Umm Ad Damar has an expected investment size of 2 billion SAR and is expected to generate around 4,000 jobs.

WHY SAUDI ARABIA

- **600,000 km²** of prospective and under explored **Arabian Shield hosting** an estimated **US$1.3tn** of mineral wealth across **52 commodities**
- Significant government commitment to support and enable the sector coupled with **best-in-class taxation and incentives for investors**
- Galvanised by the success of the petroleum sector, presence of experienced suppliers, contractors and talent pools
- **2021 Mining Law outlining rapid license application** and issue and greater accountability for governmental agencies

Source: Ministry of Industry and Minerals

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Saudi Mining Sector - Overview

39,000 km²
Mining area used

#10
The world's largest cement producer in 2021

360
Mining Complexes

4.5Moz
of gold sold since 1988

2,107
Active Licenses for reconnaissance, exploration and exploitation

6.5 Mt
Yearly production of Phosphate

420 M
Tons of minerals exploited

7.8M tonnes
Domestic steel production

~250,000
Working in Mining and Metals industry

$7 B
Mineral value chains delivered in gross exports

1,800 kt
Smelter Grade **Alumina production** (2019)

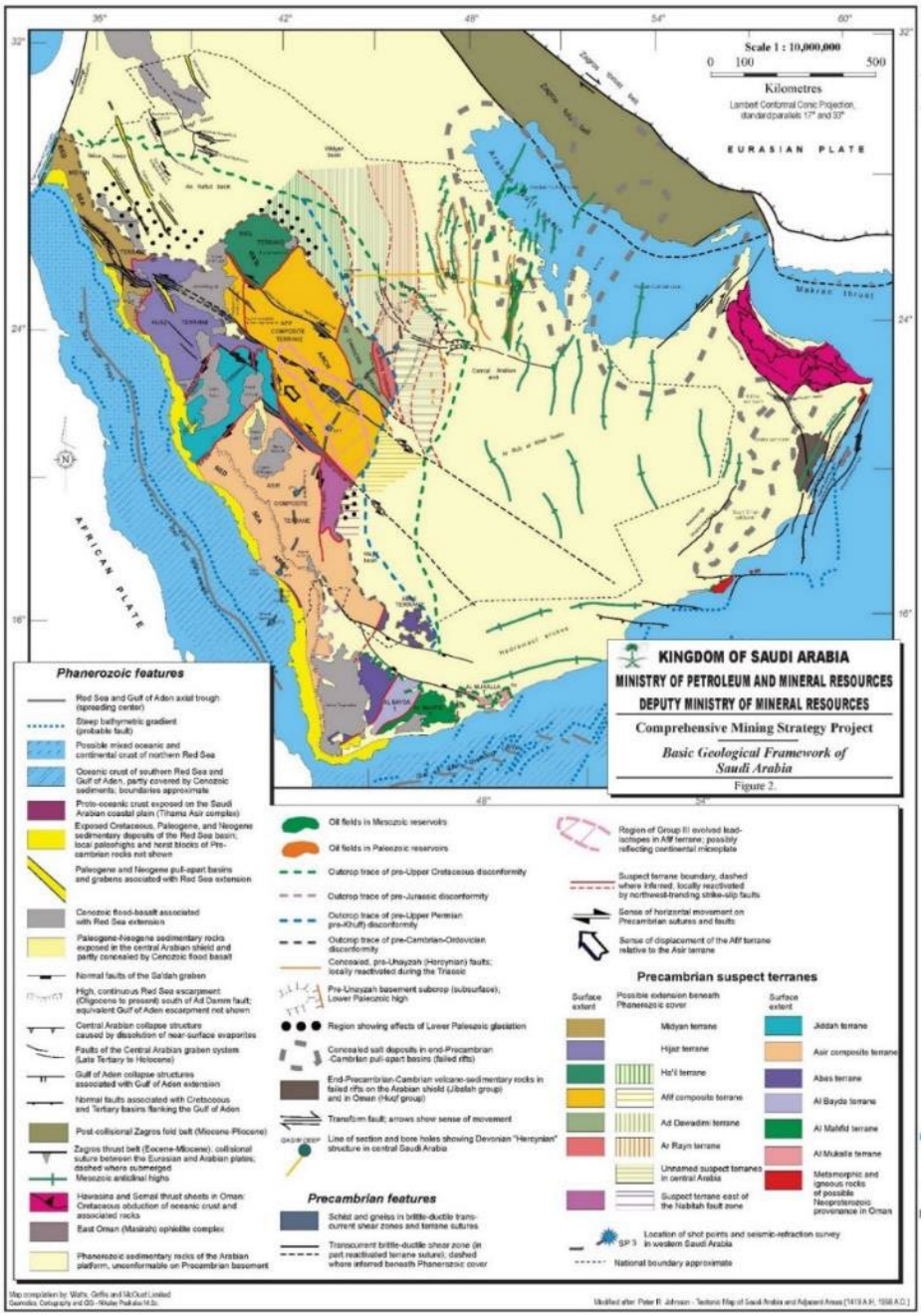
210,000t
Titanium pigment capacity

593,000t
Aluminum sold (2019)

15,600t
Titanium sponge capacity

Source: USGS commodity survey 2020; Ma'aden Annual Report 2019; Ministry of Industry and Minerals

Geological Framework of Saudi Arabia

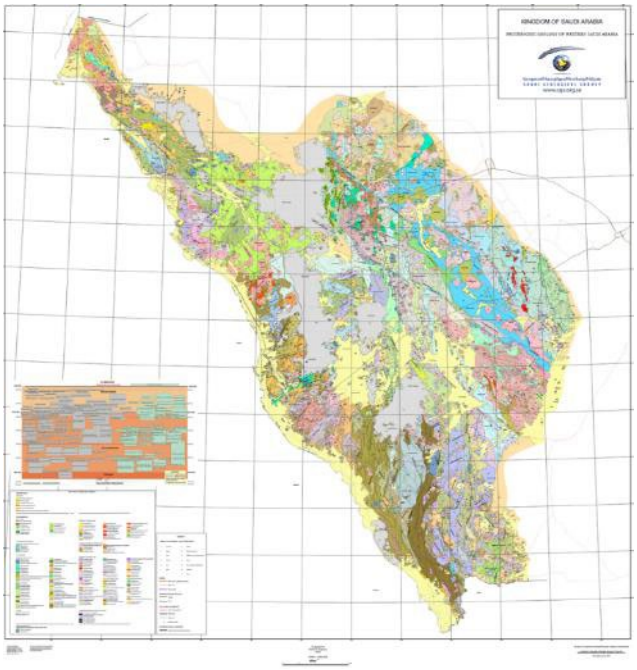


The geology of the Kingdom of Saudi Arabia can be broadly classified into two provinces. The western side of KSA is dominated by the **Arabian Shield**, comprising predominantly crystalline igneous and metamorphic rocks of Pre-Cambrian age. The eastern side of the country predominantly comprises sedimentary rocks of Palaeozoic and Mesozoic age that overlie a basal igneous and metamorphic complex.

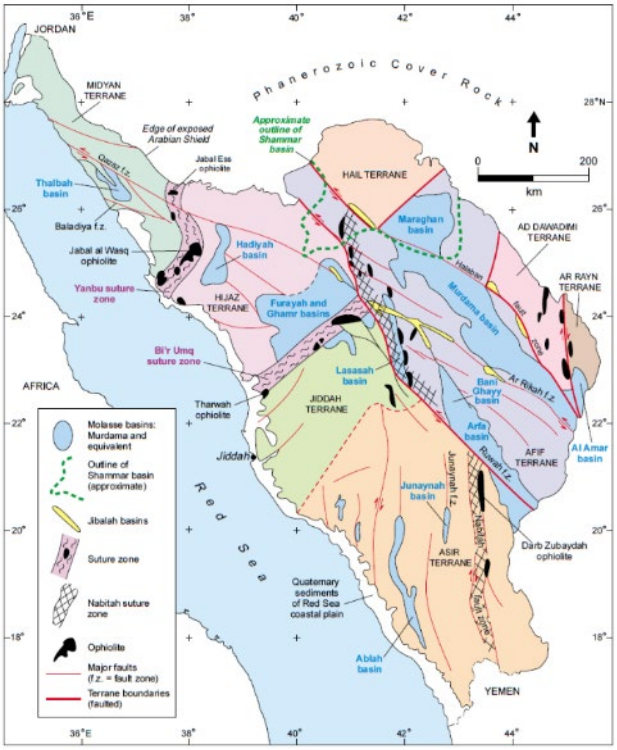
Source: Ministry of Industry and Minerals

Geological Prospectivity of Saudi Arabia

1:1,000,000 Geological map across the Arabian Shield (SGS, 2007)



Simplified sketch map of the terrane distribution of the Arabian Shield (Nehlig, 2002)



The **Arabian Shield** comprises predominantly metamorphosed and deformed Neoproterozoic juvenile oceanic arc igneous rocks, together with large volumes of post-orogenic granitic intrusions, and unconformable volcano-sedimentary successions (Stern *et. al.*, 2010; Stern and Johnson, 2010). The rocks are mostly dated at ca. 880-550 Ma. Rare pre-Neoproterozoic enclaves crop out in the southwest part of the Arabian Peninsula. The Shield formed through the amalgamation of island arc terranes and multiple oceanic sutures cross-cut the region, which have acted as a focus for subsequent deformation.

In Saudi Arabia, the Arabian Shield is sub-divided into eleven terranes (Midyan, Hijaz, Hulayfah, Ha'il, Afif, Jiddah, Ad Dawadimi, Ar Rayn, Asir, Tathlith, and the pre-Neoproterozoic Khida terrane; Johnson *et al.*, 2011) separated by regional faults and shear zones. These terranes are interpreted to have formed during the Neoproterozoic Supercontinent Cycle, which spans the breakup of supercontinent, Rodinia (ca. 870-800 Ma), the opening of the Mozambique Ocean, and the subsequent assembly of Gondwana (600-550 Ma). Due to the complex geological history of this region, a wide range of deposit types, representative of different parts of the supercontinent cycle, are found in the project areas. This range includes **VHMS** (volcanic-hosted massive sulphide) **deposits**, which are related to the opening of ocean basins in the early part of the cycle, and epithermal gold and orogenic gold deposits, which were generated in the later stages of the cycle and are related to different periods of the Pan-African contractional tectonics associated with the assembly of Gondwana.

Umm Ad Damar Project - Overview

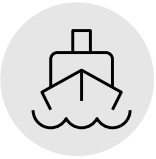
40 km²
License area to be allocated

Cu/Au/Ag/Zn
Commodities

0.86 % Cu for 110,000 tonne/slag

4
Mineralized prospects within ~30km²

25km
Located south of Mahad town



370 km
Away from Jeddah Port

Jabal Sayid & Mahad AlDahab
Closest mines located <50 km away

1936-2001
DGMR, BRGM , Riofinex and MMAJ explore

2022
SGS & SRK verification and exploration activity

>4,500 m
Exploration drillholes completed

20 km²
30 Ground magnetic profiles of total 165 km

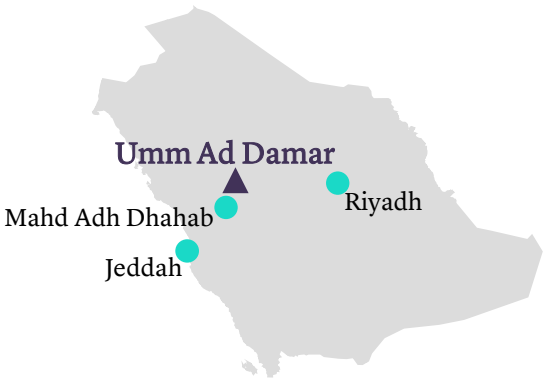
>3,150 m
Trench / channel sampling

Source: Ministry of Industry and Minerals

Summary of Umm Ad Damar Deposit

Key Information

Location	300 km NE of Jeddah 25 km NE of Mahd adh Dhahab Sayid Formation, Arj Group
Commodity	Cu-Au (Ag-Zn)
Deposit Type	VHMS/shear-hosted
Exploration Activity	Early Exploration



Location

The Umm Ad Damar Deposit lies 300km NE of Jeddah and 25km NW of Mahd adh Dhahab. The centre of the deposit is 23° 39' 26.9"N 41° 02' 58.5"E. The four mineralized prospects, named Jabal Sujarah, Umm Ad Damar North, Umm Ad Damar South and 4/6 Gossan, lie within a 1km radius of this point. The terrain comprises wide sandy wadis flanked by low rocky hills, ranging from 800-1000m above sea level.

Geology & Mineralisation

- The Umm Ad Damar prospects are hosted in a 30km² triangular-shaped area of units from the Sayid Formation of the Arj Group, showing strong similarities to Jabal Sayid & representing a good target for further exploration
- The Sayid Formation comprises rhyolitic and andesitic fragmental volcanic rocks, with intercalated volcanosedimentary tuffs and thin jasper units. Rhyodacite sills, dykes and plugs, diorite plutons and mafic dykes all intrude the volcanics, and regional and contact metamorphism are prevalent throughout the area.
- The major Wadi Aqiq Fault (Najd system) bounds the Umm Ad Damar triangle to the NE. The Umm Ad Damar is structurally highly complex.
- Mineralisation at Umm Ad Damar comprises predominantly quartz-pyrite-chalcopyrite-chlorite veins. Zones of veining in the northern prospect are usually orientated parallel or sub-parallel to schistosity and fracturing, whereas veining is more concordant with bedding in the southeast.
- Rocks are stained a gossanous red-brown at and near surface by oxidation.
- It was suggested by Riofinex that the mineralisation style is characteristic of the stringer zone that underlies massive sulphide lenses in the classic VMS deposit model.

Exploration

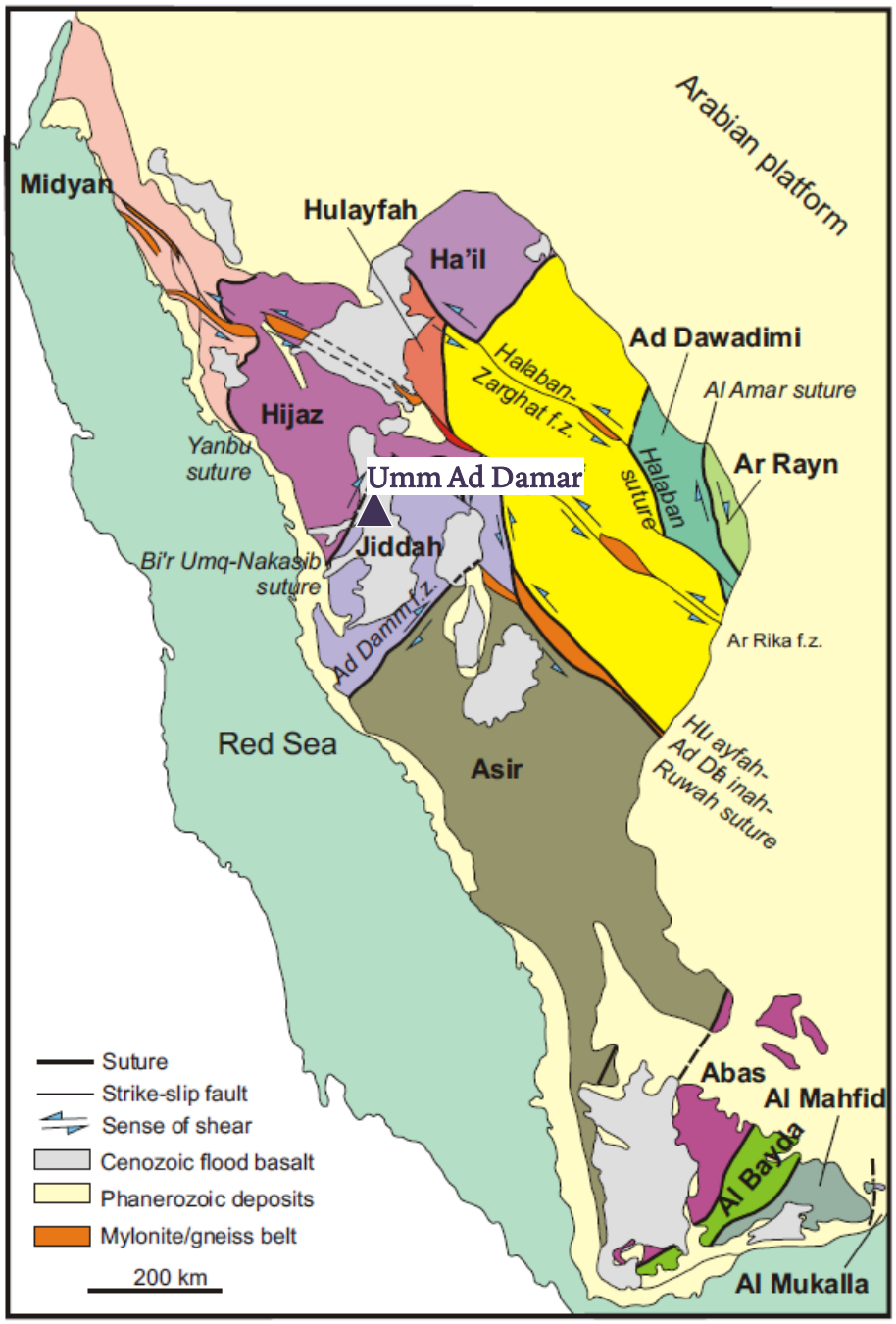
- 1936 - 1965, DGMR – Extensive surface mapping, geophysics (magnetics, EM, resistivity and seismic), diamond drilling (3 holes).
- 1966 - 1971, BRGM – Ground magnetics, IP/resistivity and gravity surveys. Diamond drilling (3 holes) and trenching.
- 1976 - 1977, SEREM (Societe d'Etudes de Recherches et d'Exploitation Minerieres), US Steel – detailed mapping and a 5 hole diamond drilling programme.
- 1981 - 1983, Riofinex– Detailed mapping and surface sampling, trenching, IP survey.
- 1998 - 2001, Metal Mining Agency of Japan (MMAJ), and Saudi Geological Survey (SGS), Study – detailed mapping, IP survey and a 16 hole diamond drilling programme.
- 2022, SGS – Detailed ground magnetic survey, high-resolution digital terrain model, trenching and mapping.

Infrastructure

- Access by road from Jeddah is via the Route 55 highway to Mahd adh Dhahab, then a 30 km two-lane asphalt road leading to many tracks suitable for 4x4 vehicles to the project site.
- Mahd adh Dhahab is a small town with numerous amenities needed for starting an exploration camp.
- The Mahd adh Dhahab Gold Mine is situated immediately west of the small town.

Jiddah Terrane - Regional Geology

- The Jiddah terrane is a composite structure comprising a Tonian arc in the south (870–850 Ma), represented by deeply eroded plutonic rocks of the Makkah batholith and flanking amphibolite-grade volcanic strata, and early to middle Cryogenian arc rocks in the north, represented by the Arj, Mahd, and Samran groups and intrusive TTG suites (825–745 Ma) (Johnston et al, 2013)
- The major Wadi Aqiq Fault (Najd system) bounds the Umm Ad Damar triangle to the NE. The Umm Ad Damar is structurally highly complex, and stratigraphy is difficult to trace between prospects.



Tectonostratigraphic terranes of the Arabian shield (Johnson, 2006, SGS-TR-2006-4)

Umm Ad Damar – Deposit Geology

The Umm Ad Damar Deposit comprises four separate mineralized prospects; Umm Ad Damar North, Umm Ad Damar South, 4/6 Gossan and Jabal Sujarah. There are lithological, alteration and structural differences between the zones with numerous historical pits and ancient workings across all areas.

Lithology

The geology across the Umm Ad Damar area comprises; rhyodacitic and pyroclastic rocks, dacitic rocks, breccia, andesitic rocks and Jasper. This suite of lithologies belongs to the Late Proterozoic Arj Group. Jasper and dacitic breccia occur mostly throughout the north western, Jabal Sujarah prospect. A series of compositionally contrasting intrusive rocks have intruded the Arj Group across the survey area. The rocks of the Arj Group are unconformably overlain by the Mahd Group in the western portion of the survey area.

Structure

The Umm Ad Damar area is structurally complex which has a direct relationship with the distribution and continuity of the mineralisiation. The area is bound to the north by the NW – SE trending Wadi al Aqiq strike slip fault and to the south by the Bari Granodiorite and Dhukhr Tonalite.

NE-NW faulting is predominant in the area and interpretation of the geological maps suggests that faulting offsets the main geological units

Mineralisation

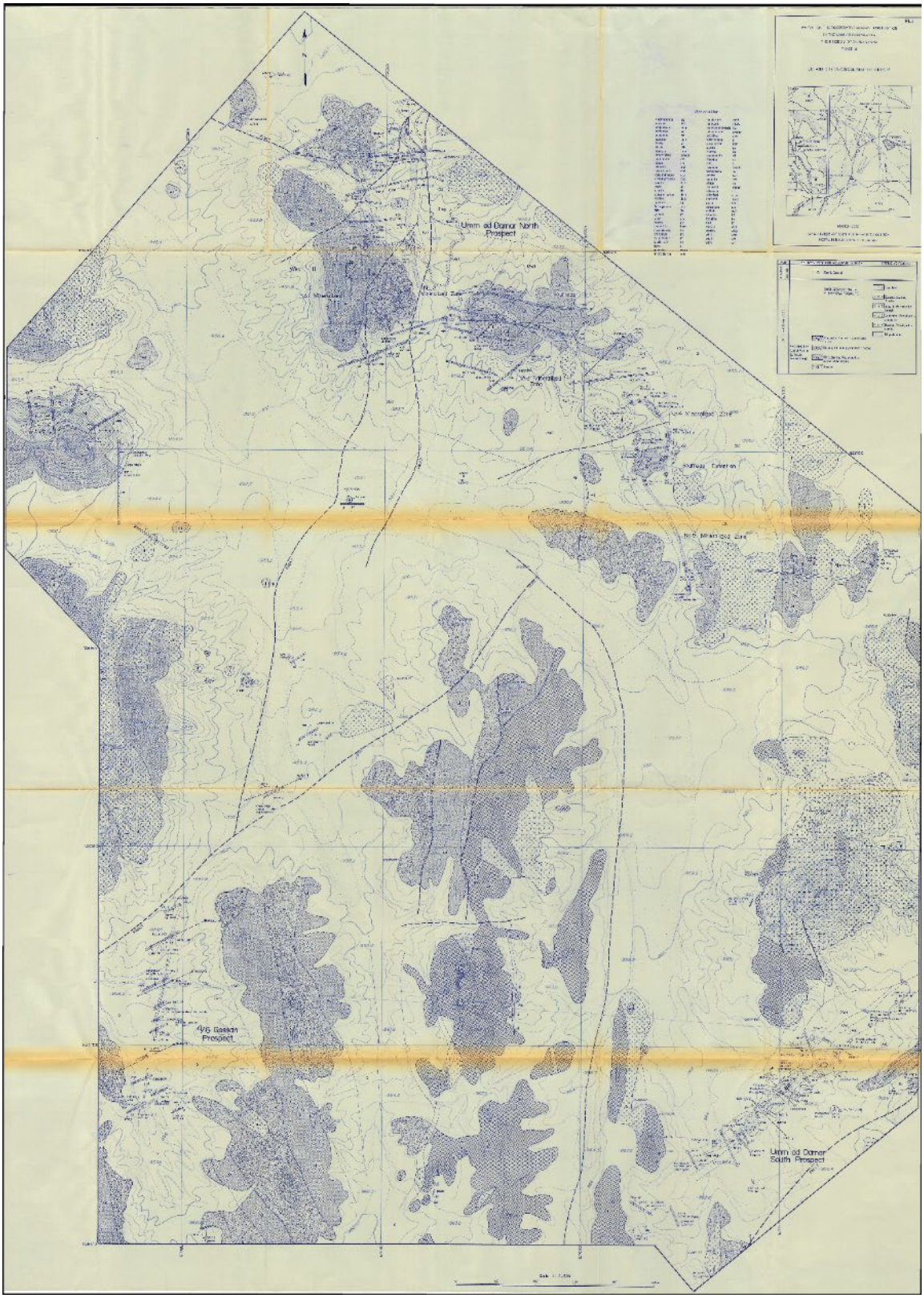
The mineralisation contains massive, siliceous, and pebbly ores comprised of chalcopyrite, sphalerite, and pyrite. The style of mineralisation is thought to be a disseminated, vein network of Cu, Zn, Ag and Au bearing minerals.

The mineralisation at Umm Ad Damar comprises predominantly quartz-pyrite-chalcopyrite-chlorite veins. Zones of veining in the northern prospect are usually orientated parallel or sub-parallel to schistocity and fracturing, whereas veining is more concordant with bedding in the southeast.

Rocks are stained a gossanous red-brown at and near surface by oxidation. The mineralisation at the southern prospect appears to be more associated with breccias predating the formation of schistocity.

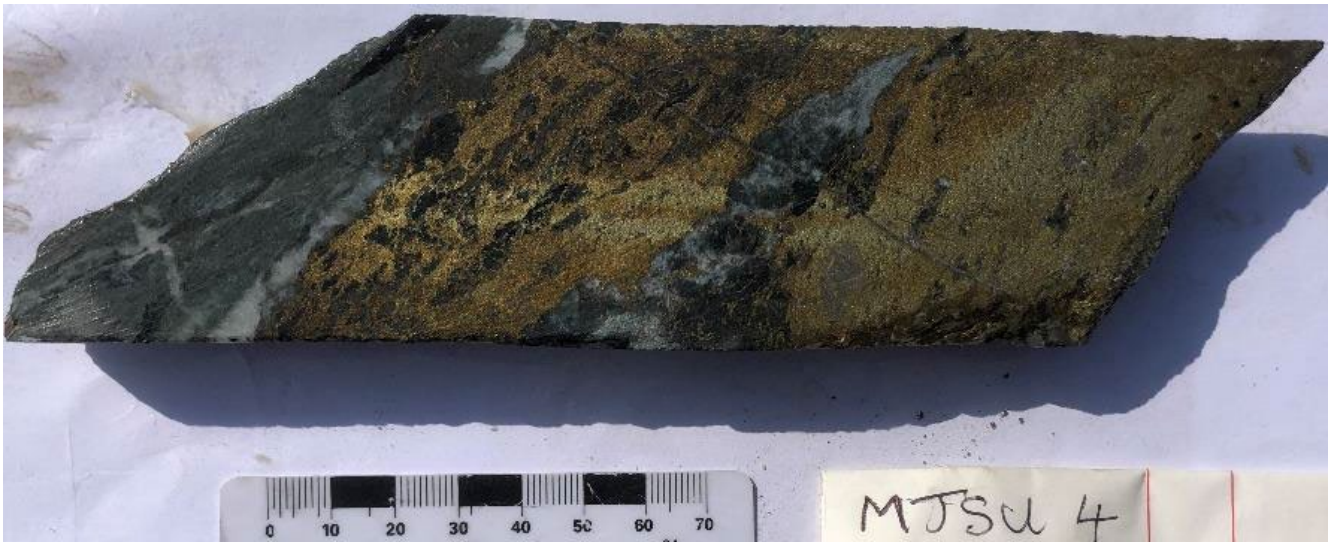
Mineralisation style is characteristic of the stringer zone that underlies massive sulphide lenses in the classic VMS deposit model.

Umm Ad Damar – Deposit Geology (Cont'd)



Japan International Cooperation Agency (JICA) / Metal Mining Agency of Japan (MMAJ). March 2000. Geological map of the Umm Ad Damar area encompassing Umm Ad Damar north, Umm Ad Damar South and 4/6 Gossan.

Umm Ad Damar – Mineralisation in Drill Core



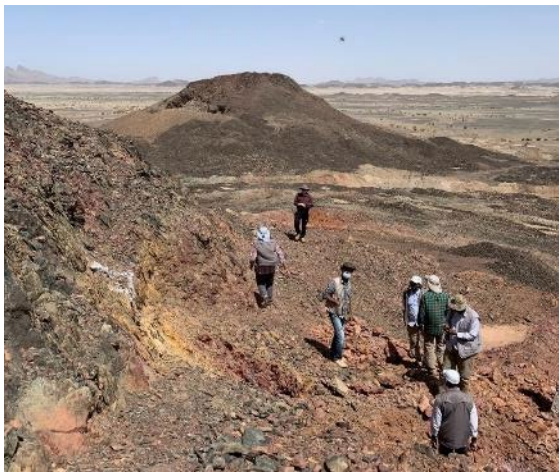
MJSU 04, 10-15cm interval of massive chalcopyrite with minor chalcopyrite layered above and below. MMAJ interval 156.05 – 156.20 m assayed at 12 g/t Ag, 18.95% Cu, 0.87% Zn, 0.04% Pb and 12.94% S

MJSU 14 (MJSU Co 14), MMAJ '"Black Mud" - finely banded tuff with abundant laminated pyrite and other very fine-grained sulphide minerals. MMAJ interval 220.20 – 220.90m, 0.24 g/t Au, 34.0 g/t Ag, 1.13% Cu, 35% Zn, and 1.2% S.

Umm Ad Damar – Current Exploration

Saudi Geological Survey (2022)

- The SGS has undertaken a programme of surface exploration to verify historical results and delineate new drill targets.
- A new high-resolution digital topographic model has been produced by photogrammetry using an UAV (drone).
- Geological mapping, focussing on structural regimes, is to be used to inform interpretation of controls on mineralisation.
- Trenching/channel sampling along the length of the prospect will be used to provide closer spaced grade/thickness information at surface.
- Ground magnetic data is being collected across the entire project area, providing high-quality modern digital data.
- SRK Exploration Services Ltd has reviewed drill core from four holes drilled by joint MMAJ / SGS (JICA) team that intersected mineralisation (MJSU 16, MJSU 14, MJSU 5 and MJSU 4) stored at SGS warehouse facilities in Jeddah. A total of 133 quarter core samples were marked up with an additional 5 blanks and 6 CRMs (8%).and submitted for multielement analysis to verify historical assay grades.
- An Independent Technical Report is being produced by SRK ES for the Umm Ad Damar deposit in support of the licensing of the project. This summarises historical results and the new work undertaken by SGS.
- A simplified 3D geological model is being produced for the project using Leapfrog modelling software to help visualise the broad lithological packages, location of mineralisation and coverage of historical drilling. This will aid future drill planning.



Infrastructure Network of Saudi Arabia

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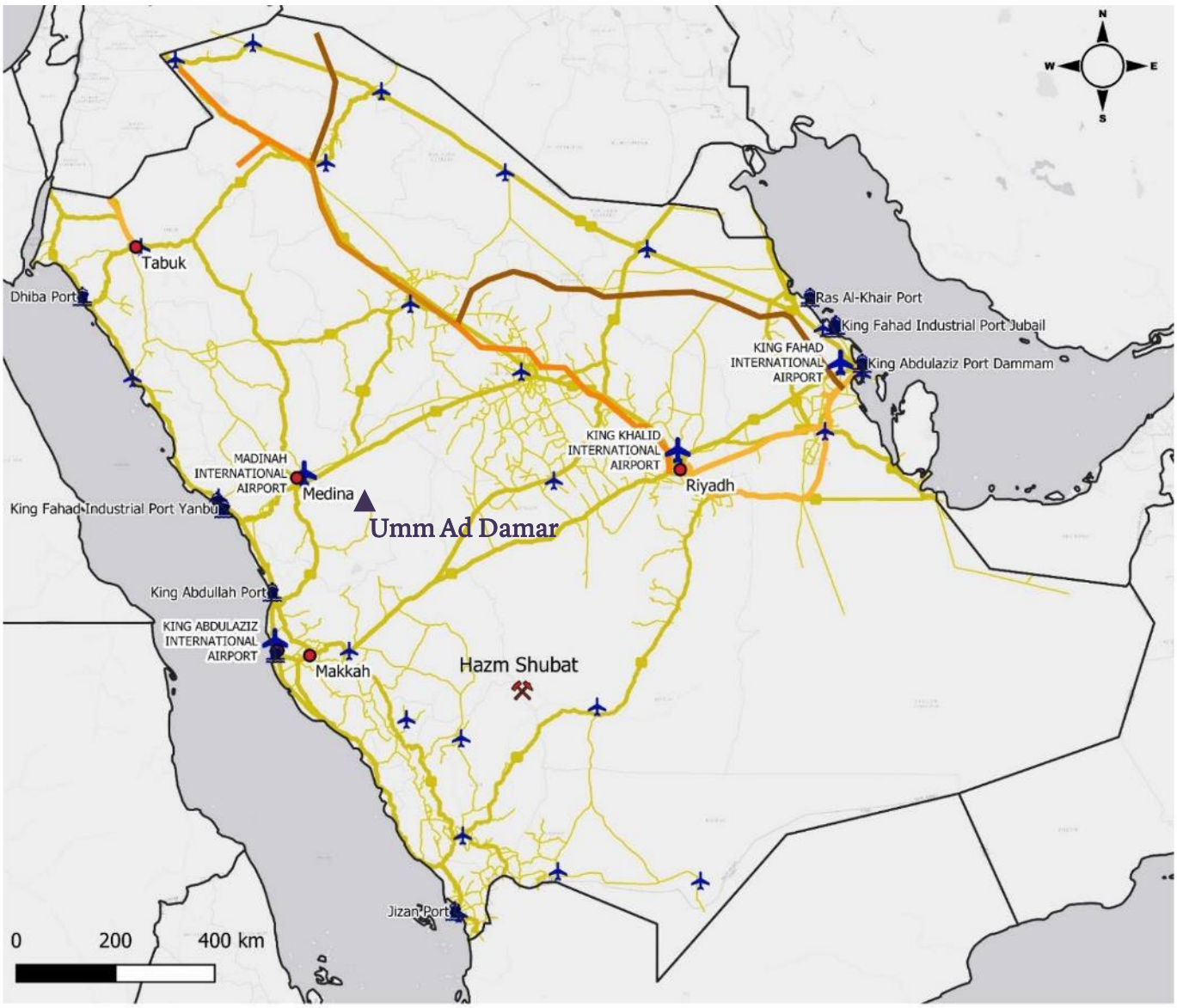
Umm Ad Damar is 195 km away from Madinah International Airport and 370 km away from Jeddah port. Asphalt main road is located close by with power available in Mahad Adh Dahab tow which is 25 km away.

Water source of Umm Ad Damar will be the from the water treatment plant in Medina city and ground water.



Legend

Logistics
- Major Cities
- International Airports
- Domestic Airports
- Sea Ports

Road Network
- Major Roads
- Minor Roads

Rail Network
- SAR Common Section
- SAR General Freight/Passenger
- SAR Mineral Line
- Dammam Riyadh Railway

International Borders

Locality
- Hazm Shubat

Basemap ESRI Gray (light)

Umm Ad Damar Data Room

Certain technical and other data will be hosted in an electronic data room site set up by the Ministry and made available through the licensing round portal. A selection of the key information will be publicly available immediately. Additional information will be made available subsequently to pre-qualified participants in due course.

Details of the information available within the data room is presented in the table below.

Original work undertaken by	Description of files available (as scans of hard copy reports)
DGMR 1936 - 1965	Historical discovery reports
BRGM 1966 - 1971	Numerous reports outlining exploration programmes and results
Riofinex 1981 - 1983	Numerous reports outlining exploration programmes and results
MMAJ 1998 - 2001	4 technical reports including geophysical cross sections, geological maps and drillhole data
SRK Exploration	Leapfrog 3D viewer model produced using BRGM data **- in data room** Independent Technical Report reviewing all previous exploration work.

Information on Umm Ad Damar Licensing Round Process

A licensing round will be held for the Umm Ad Damar sites.

The award process will use transparent procedures and criteria for selecting the winning bidder. The award process will proceed in three stages and is expected to last approximately 6 months, as illustrated in the indicative timeline below. Prospective bidders are invited to submit non-binding Expressions of Interest, so that they can be updated on the process and opportunity. The call for pre-qualification applications has been launched (refer to weblinks and contacts section), to be followed by qualification of bidders and publication of the Information Memorandum. The competitive bidding process is scheduled to conclude by end of 2022.

Bids will be assessed and scored based on a number of criteria, including technical & commercial terms, and social & environmental impact plans.

Qualified Bidders for Khnaiguiyah will be automatically qualified for Umm Ad Damr without the need to submit an additional PQQ document, upon informing the Ministry of their registration.

H1 2022		H2 2022
Registration	**Qualification**	**Bidding and Grant**
• Announcement of licensing round • Call for Expressions of Interest (EOI) & access to partial data room • Access to Data Room	• Call for Pre-Qualification Applications • Announcement of qualified bidders • Information Memorandum (IM) provided to qualified bidders	• Bidder engagement, including Q&A and licensing events • Evaluation of bids • Announcement of winner and grant of exploration license

Legal Framework

New Mining Regime

The Kingdom's new Mining Investment Law was issued under Royal Decree No. (M/140), dated (19/10/1441 AH) (the "**Law**"), and came into effect on 1 January 2021.

The Law is supported by the Implementation Regulations of the Mining Investment Law (the "**Regulations**") which offer a comprehensive set of executive regulations to accompany the Law.

The Ministry is also permitted to issue guidelines from time to time that will further explain and clarify the conditions, requirements and procedures imposed under the Law and Regulation ("**Guidelines**").

Copies of the Law, Regulation and Guidelines are available on the Ministry's website - www.mim.gov.sa.

Role of the Ministry

The Ministry has overall supervision of the application of the Law and its implementation in accordance with the Regulations. In particular, it has power to:

- issue regulations, instructions and procedures, and set further policies for the mining sector;
- designate the lands and maritime areas over which licenses may be granted;
- review applications for licenses and issue them where appropriate;
- determine surface rentals and fees, collect fees, fines and other financial returns from bids and rentals;
- promote R&D and investment in mining activities;
- coordinate with SGS and other agencies across a range of matters relevant to the sector, and delegate/outsource power;
- monitor occupational health and safety and overseeing a licensee's activities; and
- identify ores, minerals and elements that may not be developed, or should be reserved or subject to special regulation.

The Ministry is responsible for setting the conditions applicable to all types of licenses, as well as the procedures for their issue, renewal, extension, transfer, amendment and relinquishment. These items are in turn addressed in the Regulations.

The Ministry is permitted to designate lands the licenses for which may only be granted through a bidding process. This is the basis on which the Umm Ad Damar site is being made available for licensing.

Minerals

Minerals are classified into three categories:

Class A: metallic minerals, precious and semi-precious (e.g. zinc, copper, nickel, gold, high-grade iron ore);

Class B: non-metallic compounds, industrial minerals and raw materials (e.g. low grade iron ore, dolomite, gypsum); and

Class C: materials used for construction (e.g. gravel, crushed marble, sand and clay).

Further, the Law clarifies that certain minerals are subject to special regulations such as rare earth elements and radioactive minerals.

All subsurface deposits are the property of the Kingdom. Ownership of minerals and ores covered by an exploitation license shall transfer to the licensee upon their extraction from the license site during the period of the license.

Land Rights

Mining activities may be carried out on State-owned or privately owned lands, but not on holy sites, military installations, areas reserved for hydrocarbon exploration or operations (save with appropriate exemptions) and other conservation areas.

Easement rights on State-owned land necessary for carrying out operations will be granted by the Ministry. Easements required over private land will have to be negotiated separately.

Legal Framework (Cont'd)

Types of Licenses	The Law permits the Ministry to grant the following types of licenses: • Reconnaissance; • Exploration; and • Exploitation. The license to be issued under Umm Ad Damar licensing rounds will be an exploration license. Licenses will only be issued to entities incorporated in the Kingdom. Formal applicants for licenses must meet the financial and technical criteria set out in the Regulations. However, the prequalification criteria to receive access the data room and carry out due diligence on the project may be less stringent that those set out in the Regulations so as to encourage participation in the process.
Exploration	An exploration license grants its holder the following exclusive rights over the relevant site: • Explore for minerals covered by the license; • Collect samples; • Use any exploration methods that precede commercial productions; • Use minerals and ores obtained through exploration operations; • Export samples for further analysis and testing (subject to certain weight limits); • Establishing camps and facilities, and using sand, gravel and other materials to achieve the purposes of the license; and • Obtain an exploitation license, subject to economic viability. A key component to the award of an exploration license is the agreement of the work program, and the ability of the licensee to demonstrate that it can fund that work program. Exploration license holders are subject to minimum annual expenditure requirements as set out in Annex 6 to Regulations (amount per sq km, escalating, per year). Licensees are required to report progress through semi-annual and annual reports, and provide a comprehensive report on expiry. All studies, samples and drilling records to be submitted to the Ministry upon expiration/termination of the exploration license.
Exploitation Licenses	The holder of an exploration license shall also have the exclusive right to obtain an exploitation license, provided that it has fulfilled its obligations under the exploration license (eg, the work program) and: • submitted a business feasibility study, environmental and social impact study, an environmental management plan, rehabilitation and closure plan, work plan and implementation plan, and financial guarantee for rehabilitation and closure. • proven the economic viability of exploiting ores and minerals on site; and • has the financial capacity, and technical/ professional expertise to carry out the mining activities. Holders of a mining/small mining license may also apply to exploit other minerals found on the site that were not previously covered by the exploration license. Subject to satisfying the application criteria, a mining license will be granted for Class A and B minerals and may cover a contiguous area of up to fifty sqkm. It will be granted for a period of 30 years, renewable for a further 30 years.

Legal Framework (Cont'd)

Sustainability	Exploration License applicants must submit an environmental impact management plan in line with the requirement of the Regulations and the environmental laws and sustainability rules and regulations of the Kingdom, including undertakings to commit to its implementation. The Ministry has an approved form for environmental impact management plans prepared in relation to exploration licenses. Exploration license holders must submit annual reports to the Ministry setting out their compliance status with the environmental management plan. Exploration License applicants must also submit a social impact management plan which includes, amongst other things, a plan for the employment of Saudi nationals specifically from the local communities, together with plans for continuous and regular interaction with local communities. Exploration and exploitation license holders must include in their annual reports a status on their compliance with the social impact management/ sustainability plan.
Corporate Income Tax / ZAKAT	**Income Tax** License holders subject to corporate income tax will be subject to a corporate rate of 20%. **Zakat** Zakat will be deducted from the fees for exploitation licenses on an annual basis in cases where the license holder is subject to Zakat. If the Zakat due for any license year exceeds the amount that would otherwise be due for income tax for that year, the licensee is entitled to deduct the excess amount of Zakat from the fees payable in following years.
Export Duty	Exploitation license holders may export minerals and ores for commercial purposes only after the minerals and ores are processed to raise concentration and remove impurities. Any export will be subject to the terms and conditions of the Ministry.
Surface Rent	Exploration and exploitation license holders must pay surface rent which is calculated in accordance with the mechanism described in the Regulations. The surface rent is payable within 30 days for each year of the license. Surface rent for year one of the license must be paid before the license is issued. Surface rent is payable as follows: • Exploration license – rental ranges from SAR 10 to 900 (depends on license years); and • Exploitation license – rental is SAR 10,000 per sq km.
Severance Fees	Exploitation license holders are subject to the following fees: • **Class A minerals** – depending on the mineral, the fees range between 1% to 4.5% of the net value of the mineral upon extraction (calculated pursuant to a Formula in the Regulations). The severance fee payable for Gold and Copper is 1.5%. License holders will be granted an exemption from the severance fee payment for the first five years of the license term; • **Class B minerals** – depending on the mineral, the fees range between SAR 2.5 to 38 per tonne, or 5% of net revenues derived from the disposal of such mineral; and • **Class C minerals** - depending on the minerals, the fee ranges between SAR 0.53 to 38 per tonne of ore produced.

A Saudi Success Story – Jabal Sayid

MBCC Ma'aden Barrick Copper Company

The Jabal Sayid copper operation is located 350 kilometers north-east of Jeddah in the Kingdom of Saudi Arabia. It's a 50/50 joint venture operation between **Barrick Gold and Ma'aden**. The first shipment of copper concentrate occurred in December 2015, and the mine commenced commercial production in July 2016.

The mine produced 151 million pounds of copper in 2021 and has a forecasted production of 140-145 million pounds with 780 million pounds of measured and indicated copper resources.

Jabal Sayid is located in the prospective Neo-Proterozoic Arabian Shield. The shield continues west of the Red Sea into Egypt and Sudan as the Nubian shield. Jabal Sayid is a volcanic hosted massive sulphide (CHMS) system, lying within the Asir volcanic arc. Four separate mineralized lodes located within a northeast-trending corridor 1.2 km long and between 200 and 700 meters wide have been identified. Load 1 mineralization has significant sphalerite (zinc sulphide) while loads 2 and 4 are dominated by chalcopyrite (copper-iron sulphide) rich stockwork mineralization.

Water source of Jabal Sayid is coming from the water network of Medina water treatment plan with an approx. cost of 2.75 SAR/m^3.

Historical work

- 1966 - 1974: Geophysical surveys, mapping, and surface diamond drilling
- 1974 - 1979: Surface drilling, mapping, and geophysical surveys
- 1977 - 1979: Mapping and compilation of regional prospects
- 1980 - 1984: Two-phase underground exploration culminating in PFS
- 1989: Data review. Made recommendation to revisit PFS with revised economic parameters prior to any major expenditure.
- 1997: Maiden JORC Compliant Mineral Resources and Mineable Reserves Statement
- 2001: After EL granted, surface drilling, data compilation, and resource estimation. Reported an inability to recreate a reliable database and decided not to proceed
- 2006: Granted exploration license over the Jabal Sayid area
- 2012: Construction of processing infrastructure
- Jul 2015: Commissioning of the mine
- Aug 2015: First copper concentrate produced

معادن MA'ADEN BARRICK

Web Links & Contacts

The Ministry of Industry and Mineral Resources aims to advance the industrial and mining sectors and contribute to achieving sustainable development in line with the Kingdom's Vision 2030, which adopted strategic options to diversify the national economy and raise the mining contribution to the GDP.

The Saudi Geological Survey is responsible for all specialized earth science works in the Kingdom of Saudi Arabia, from the basic works on geologic mapping to the conduct of applied geoscientific studies, especially on mineral and groundwater explorations and the development of mineral resources, including the provisions of investment opportunities in the field of mining.

Web links

Saudi Invest	https://investsaudi.sa/en/
Ministry of Industry and Mineral Resources:	https://mim.gov.sa/
Ministry of Investment of Saudi Arabia:	https://www.misa.gov.sa/en/
Saudi Geological Survey:	https://sgs.org.sa/en
National Geological Database:	http://ngp.sgs.org.sa
Taadeen:	https://mining.mim.gov.sa/

For More information please contact the below:

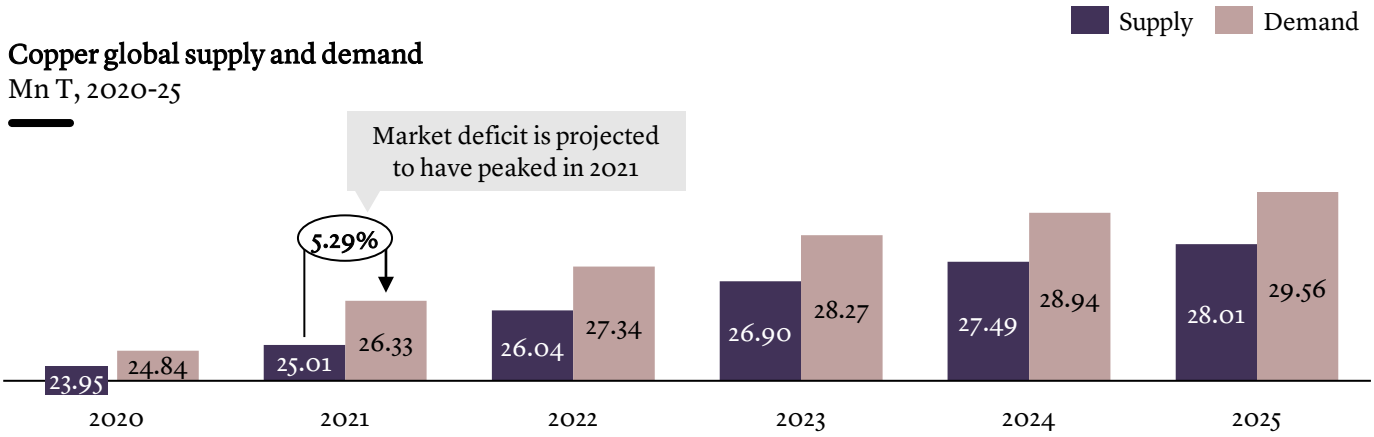
Miningbidding@mim.gov.sa

https://mining.mim.gov.sa/pages/public/MiningCompetition.xhtml

Appendix: Copper Market

Copper global supply and demand

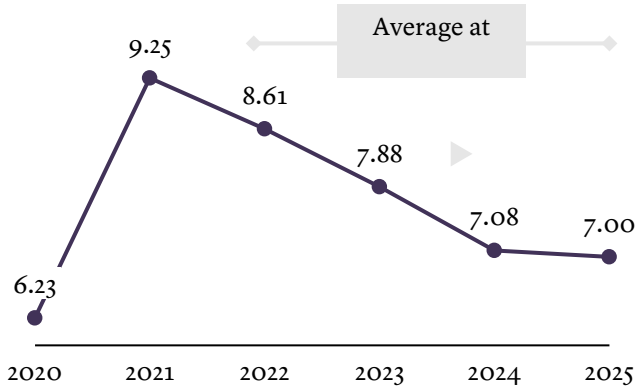
Mn T, 2020-25



Source: World Bank: Commodity Outlook report: British Geological Survey, Metallgesellschaft, U.S. Geological Survey, World Bureau of Metals Statistics; Oliver Wyman analysis

Copper price

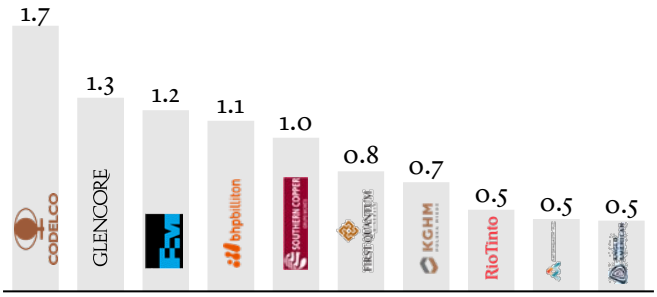
kUSD/T, 2021-25



Source: World Bank: Commodity Outlook report

Largest copper producers

Mn T, 2020



Source: Company information

General trends

Demand:

- Global focus on renewables and green investments should continue to drive demand for copper in the medium and long term

Supply:

- Copper supply is likely to grow during the coming few years due to recently committed projects. Some supply risks exist

Price:

- Copper prices to remain at elevated levels on the back of strong demand and continued supply concerns

Potential implications for KSA

Short term

Strong potential to position KSA as regional supplier as demand on copper is likely to increase

Long term

Potential to benefit from the expected market deficit, caused by demand more than offsetting the increase in supply

Appendix: Copper Sector in Saudi Arabia

Current licenses

Reconnaissance license

17

Exploration license

42

Exploitation license

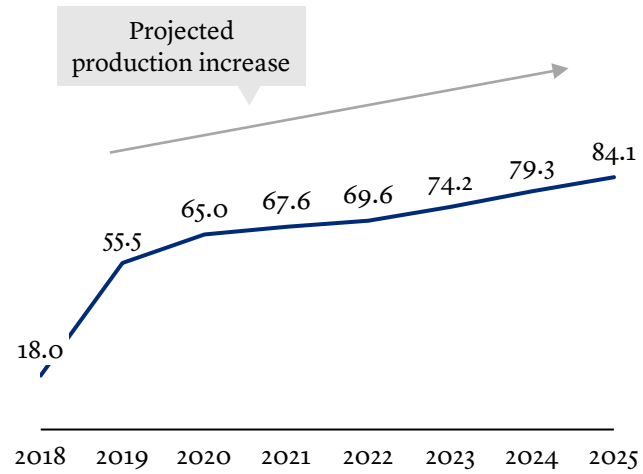
4

Source: Ministry of Industry and Minerals

Local lense

Copper production (Saudi Arabia)

kT, 2020-25



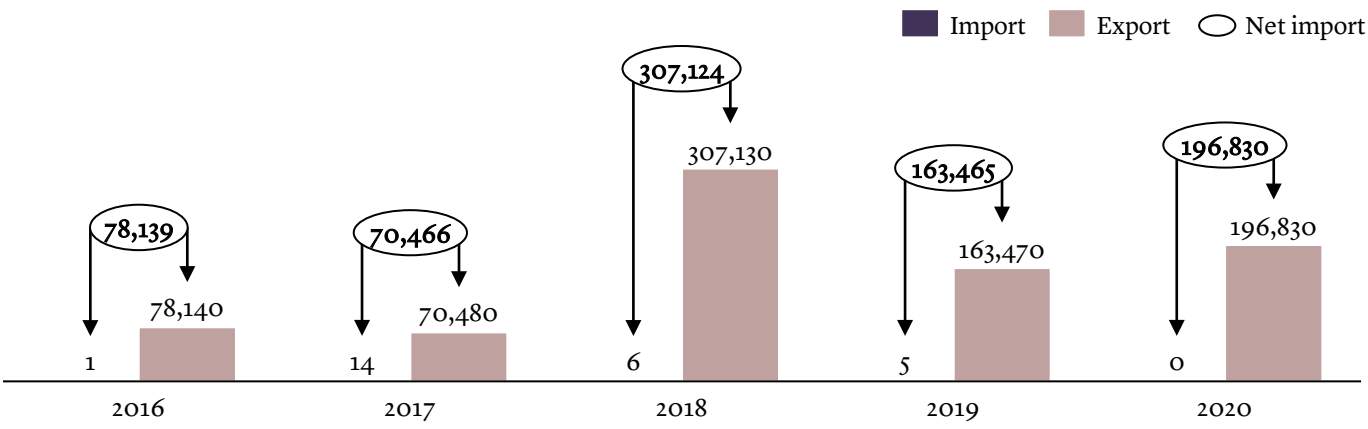
Source: USGS; Team analysis

Top producing projects in Saudi

Mines with copper production, 2020

Company	Nationality of license	Property name
MA'ADEN / BARRICK	KSA & Canada	Jabal Sayid
MA'ADEN	KSA	Al Amar
AMAK	KSA	Al Masane

Copper net import for KSA (kSAR, 2015-20)

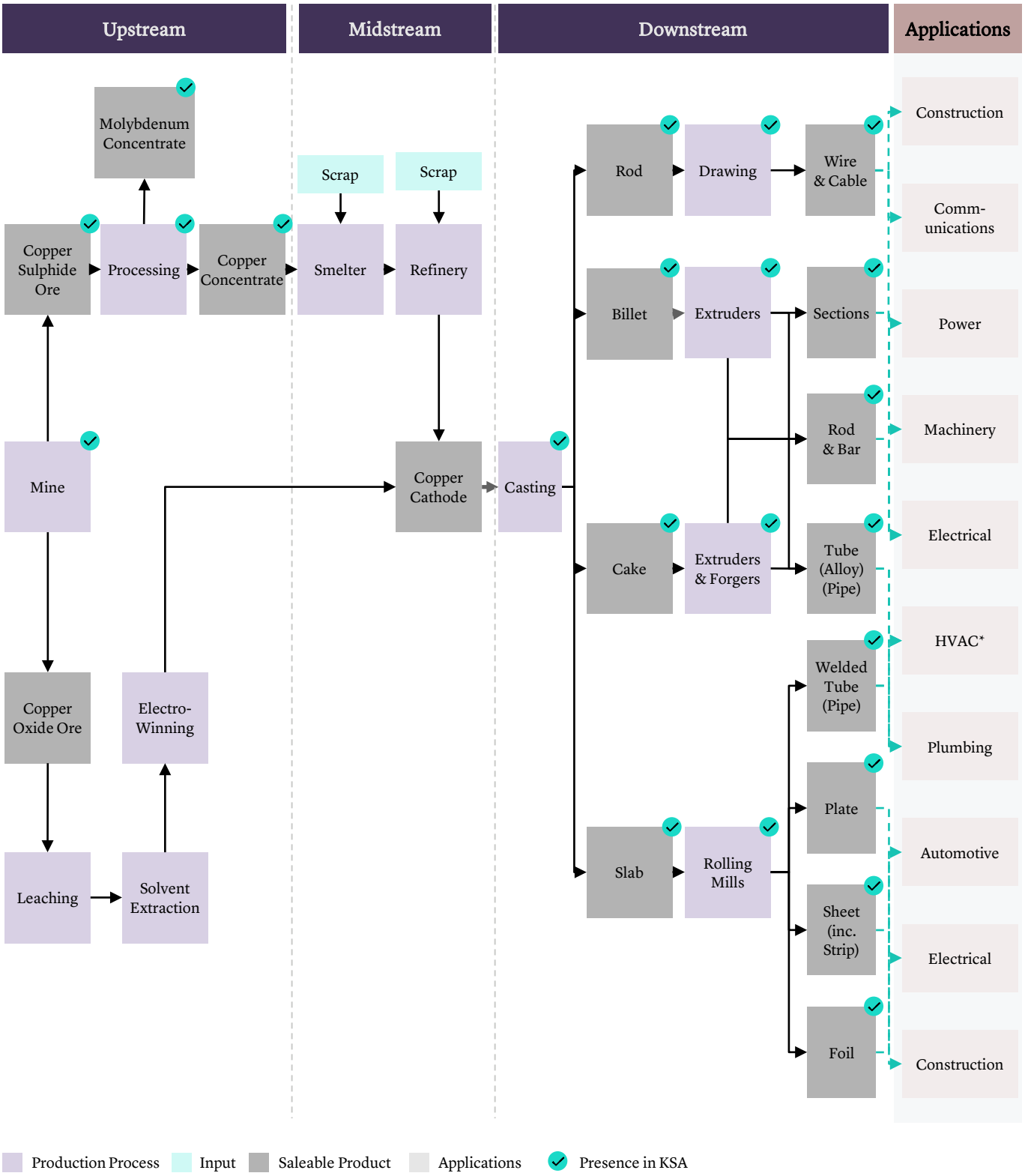


Source: ZAKAT, Tax and Customs Authority

Appendix: Copper Sector in Saudi Arabia

Value chain of copper sector and presence in KSA

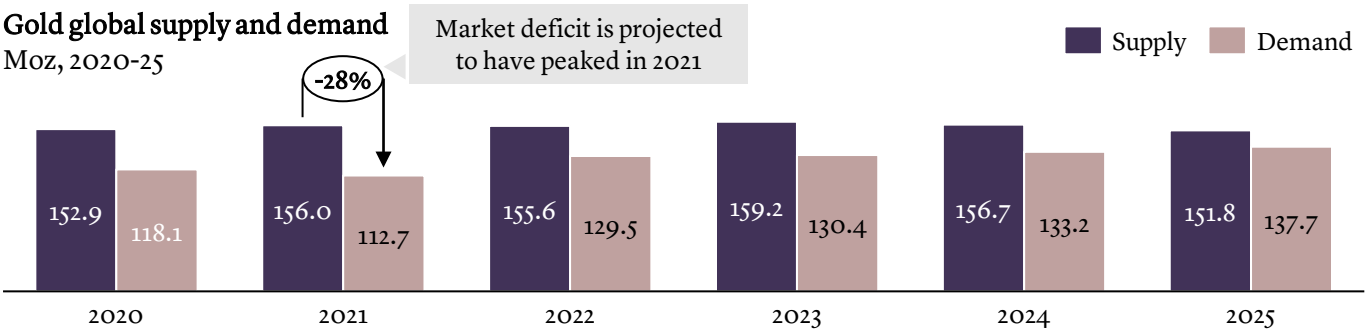
KSA is active in the upstream and downstream stages of the copper value chain



Appendix: Gold Global Market

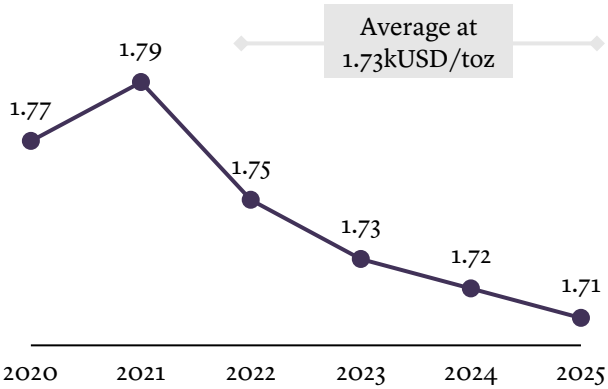
Global Outlook

Gold global supply and demand
Moz, 2020-25



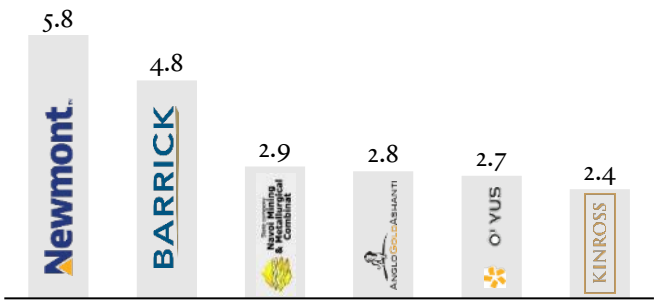
Source: USB AG Miners' Price Review October 2021

Gold price
kUSD/toz, 2020–25



Source: World Bank: Commodity Outlook report

Largest Gold producers
Mn oz, 2020



Source: S&P Capital IQ

General trends

Demand:

- Underlying physical demand for gold to increase due to increasing income and employment prospects together with recovering economies following Covid-19

Supply:

- Mining is the single-biggest supply source for gold, expected to bounce back; The first 3 quarters of 2021 production increased 5% y-o-y

Price:

- The economic recovery, which comes with higher yields and reducing trade and geopolitical risks, has led to weakening gold prices in 2021. In 2022e the firm USD outlook could add to gold's weakness

Potential implications for KSA

Short term

Strong potential to position KSA as regional supplier, with gold demand expected to slightly increase with the expected increase on the gold production in KSA.

Long term

Potential to position KSA as global supplier, with target to increase the gold production 10 fold by 2030.

Appendix: Gold Sector in Saudi Arabia

Current licenses

Reconnaissance license

18

Exploration license

449

Exploitation license

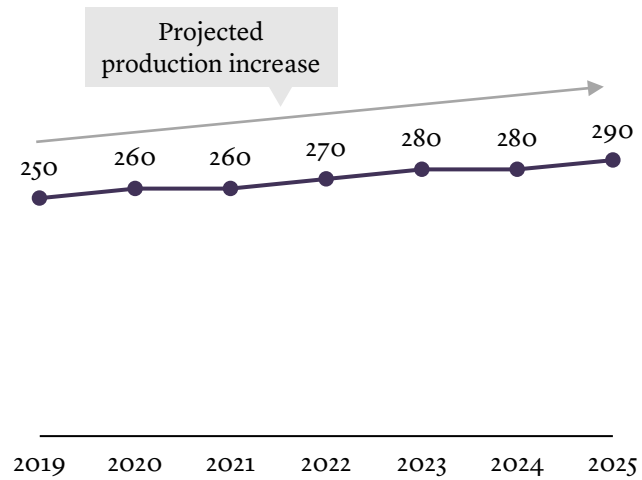
17

Source: Ministry of Industry and Minerals

Local lense

Gold production (Saudi Arabia)

k oz, 2020-25



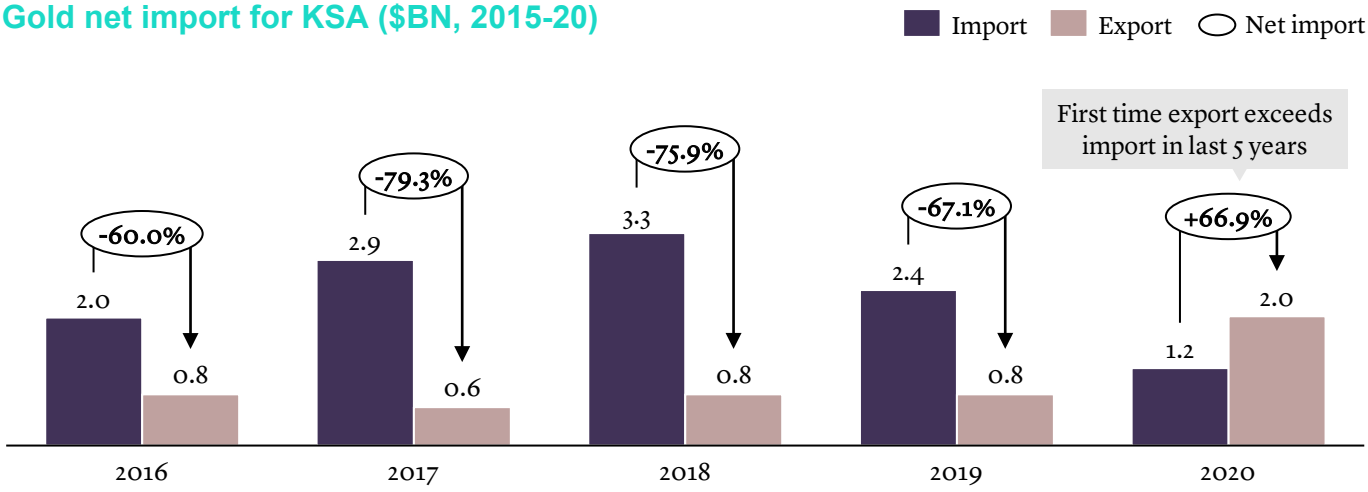
Source: Fitch

Top producing projects in Saudi

Mines with gold production, 2020

Company	Nationality of license	Property name
MA'ADEN	KSA	Ad Duwaydi
MA'ADEN	KSA	Bulghah
MA'ADEN	KSA	Al-Amar

Gold net import for KSA ($BN, 2015-20)



Source: OEC World (Observatory of Economic Complexity)

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