

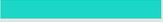


Ministry of Industry
& Mineral Resources

INVESTOR GUIDE

Mineral Exploration and Mining in Saudi Arabia

Jan, 2022



Towards a Promising Industrial Future



1. Saudi Vision

Saudi Vision 2030 is a strategic framework to reduce Saudi Arabia’s dependence on oil, diversify its economy, and develop public service sectors. For more information about the Saudi vision 2030:

[Learn more ↗](#)

Vision Realization Programs (VRPs) were designed to translate the Vision into action. Hence, the 11 VRPs are:

1. National Industrial Development and Logistics (NIDL)
2. Public Invest Fund
3. Housing
4. Human Capability Development
5. Quality of Life
6. National Transformation
7. Privatization
8. Health Sector Transformation
9. Financial Sector Development
10. Doyof Al Rahman
11. Fiscal Sustainability

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NIDL, one of the most important 11 VRPS, where it aims to transform the Kingdom into a leading industrial powerhouse and a global logistics hub by maximizing the value of its 4 sectors: mining, energy, industry, and logistics. The program also focuses on the two enabling pillars of local content and the 4th Industrial Revolution, given their importance towards enabling the main sectors to reach their pre-set strategic objectives. One of the main initiatives in NIDL is the launch of the largest in its kind geological survey program, called Regional Geological Survey (RGP) for the Arabian Shield region. The program will focus on surveying and mapping an area of more than 600,000 square Kilometers.

[Learn more ↗](#)

2. Mining Sector in KSA

2.1. Mining Sector Vision

The Saudi Mining Vision aims to develop mineral value chains in Saudi to become the third pillar, after oil and petrochemical, by capitalizing on KSA’s mineral endowment, domestic demand, and making use of global markets to deliver GDP diversification along with job growth.

The full potential of Saudi mining and metal sector derives from three sources of competitive advantages: geological endowment, local

demand, and factor cost advantages. The targets of mining sector by 2030 is to increase its GDP’s contribution in Saudi from USD 17 Bn in 2019, to USD 75 Bn, in 2030. Also, the exploration spend will be increased from USD ~23 per Km2, in 2019, to USD ~67 per Km2, in 2030. Finally, the private sector invested in 2019 around USD 6.4 Bn, and is planned to invest around USD 9.3 Bn, in 2030.

2.2. Why Explore/Mine in Saudi Arabia

There are 7 key reasons to invest in Saudi mining sector:

01. Large unexplored landmass encouraging foreign investment in mining, where KSA’s geological resources could exceed USD 1.3 TN, and over 48 minerals have been identified
02. Significant demand for mining products, where KSA is the fourth largest net importer of mineral products globally.
03. Investor friendly mining law in alignment with global benchmarks, where the new mining law provides KSA the platform to grant application and issue the mining and exploration licenses with in 120 days and 90 days, respectively.
04. Best-in-class taxation and incentives for investors, where KSA offers co-funding of up to 75% of CAPEX with preference to advanced exploration and mining activities.
05. Strong stable government with deep commitment to mining sector, where mining sector is a key pillar in the Kingdom’s Vision 2030 ambitions with an expected GDP contribution of USD 70 BN.
06. Well-connected and robust infrastructure network, where Saudi is ranked as #1 and #21 in road connectivity and shipping connectivity; respectively.
07. Experienced, ever growing talent pool, where companies like SABIC with its 35K+ employees, Maaden with 6K+ employees, AMAK with 0.5K employee, have successfully developed local talent pool in KSA.

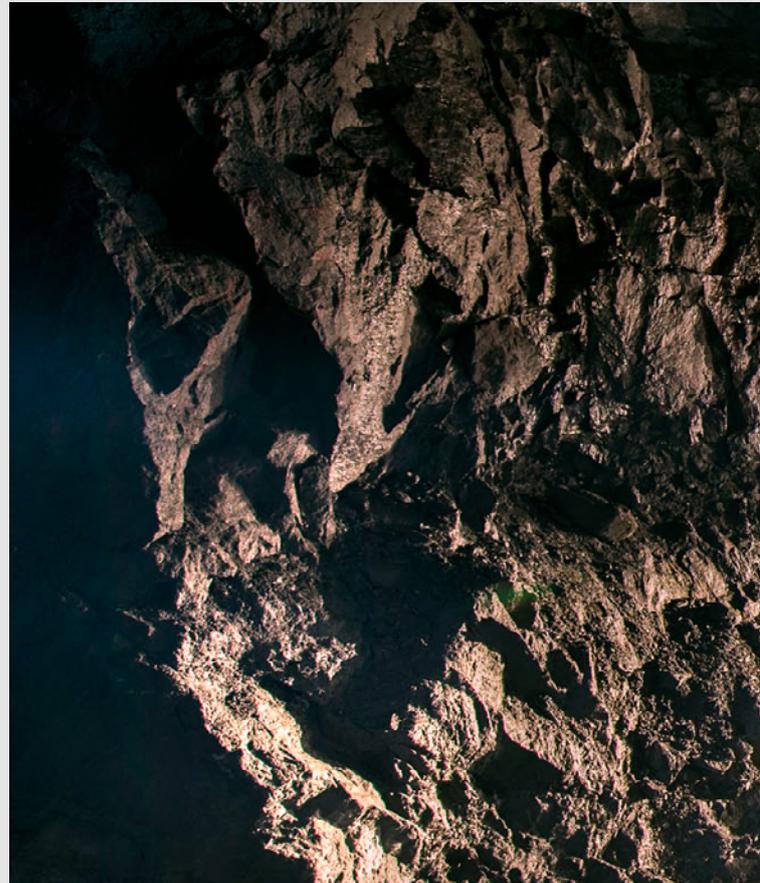
2.3. Arabian Shield Overview

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; and the eastern side of the country predominantly comprises sedimentary rocks of Paleozoic and Mesozoic age that overlie a basal igneous and metamorphic complex. 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. 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 crosscut the region, which have acted as a focus for subsequent deformation.

In Saudi Arabia, the 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); 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 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. To read more about Arabian shield visit the Saudi Geological Survey report about it at:

[Learn more ↗](#)



2.4. Top Available Minerals in Saudi Mining Sector

| | | | | | |
|----------|-----------|----------|--------|-----------|----------|
| Aluminum | Lead | Silver | Basalt | Magnesite | Sulphur |
| Chromium | Magnesium | Tantalum | Copper | Mica | Tin |
| Feldspar | Niobium | Titanium | Gold | Phosphate | Tungsten |
| Silica | Zinc | Gypsum | Salt | Uranium | Iron |



3. Legislations, Regulations, & Licensing

The Ministry of Industry and Mineral Resources (MIM) concerns with supervising the industrial and mining sectors in the Kingdom of Saudi Arabia, encouraging investors therein, discovering and exploiting the Kingdom's mineral resources and achieving the highest returns. For more about MIM please visit the ministry website at:

[Learn more ↗](#)

In designing the new mining investment law (2020), the Ministry of Industry and Mineral Resources cooperated with leading local and international organizations along with relevant government stakeholders, to ensure that the new mining regulations are world-class regulations. The new law aims to ensure governance and transparency, enhance investment attractiveness, achieve World-class sustainability. Finally, the law was designed to encourage both rapid production and long-term commitment to the best sites and to provide certainty and stability for investors. To access the mining investment law visit:

[Learn more ↗](#)

3.1. Mineral's Classifications

Class A Minerals: metallic minerals, precious and semi-precious stones, and ores that require advanced operations and concentration as classified in the Saudi mining regulations.

Class B Minerals: non-metallic minerals, industrial minerals, and raw materials, as classified in the Saudi mining regulations.

Class C Minerals: materials used for construction purposes, as classified in the Saudi mining regulations.

3.2. Types of Mining Licenses and License Requirements

3.2.1 Reconnaissance license (non-exclusive right)

The reconnaissance license allows investors to reconnoiter for targeted minerals by visiting the chosen areas. In addition, the license allows investors to collect samples from the designated land, and the license gives access to the relevant data and maps from Saudi Geological Survey (SGS).

License duration:

2 years and can be renewed for only 2 more years

License requirements:

- Specifying the designated area
- Proposed reconnaissance program and time duration
- Financial solvency

Application study duration:

15 days maximum.

License cost:

Application fee is SAR 5,000

Issuance fee is SAR 5,000

Renewal fee is SAR 5,000

3.2.2. Exploration license (exclusive right)

The exploration license gives the investor the right to explore for specifiers minerals in the specified area through surface mining and geophysical/geochemical analysis.

License duration:

For Classes A & B the license is issued for up to 15 years, with a maximum 5-year initial term plus one or more 5-year renewal periods. For Class C, the duration is 1 year, and it cannot be renewed.

License requirements:

- Environmental impact plan
- A plan to manage the social impact of activities that include contributing to the development of local communities
- Commitment to the minimum spend on exploration
- Financial solvency and feasibility study

Application study duration:

90 days maximum.

License cost:

Application fee is SAR 5,000

Issuance fee is SAR 5,000

Renewal fee is SAR 5,000

3.2.3. Mining license (exclusive right)

Mining license gives the investor the right to mine and exploit the specified Classes A & B minerals. In addition, it allows the investor to transfer and sell the exploited minerals along with full operational rights.

License duration:

Up to 30 years, covers Class A and Class B minerals, for areas larger than 1 km². And up to 20 years, covers Class A and Class B minerals, for areas less than 1 km².

License requirements:

- Study of the environmental and social impacts
- Rehabilitation and closure plans
- The license applicant must have technical sufficiency, financial ability, and feasibility
- Financial guarantee mechanism for rehabilitation and closure

Application study duration:

60 days maximum.

License cost:

Application fee is SAR 10,000

Issuance fee is SAR 20,000

Renewal fee is SAR 20,000



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3.2.4. Building materials quarry license (exclusive right)

Building materials quarry license gives the investor the right to mine and exploit the specified Class C minerals. In addition, it allows the investor to transfer and sell the exploited minerals along with full operational rights.

License duration:

Doesn't exceed 10 years, and can be extended, where each extension shouldn't exceed 5 years

- Study of the environmental and social impacts
- Rehabilitation and closure plans
- The license applicant must have technical sufficiency, financial ability, and feasibility study
- Financial guarantee mechanism for rehabilitation and closure

Application study duration:
30 days maximum.

License cost:
Application fee is SAR 10,000
Issuance fee is SAR 20,000
Renewal fee is SAR 20,000

3.3. Obtain a Mining License and Setup a Company in Saudi

3.3.1. Apply for Ministry of Investment license (non-Saudis)

- Apply through MISA's online portal
[Learn more ↗](#)
- Provide commercial registration (CR) from the country of origin
- Provide a 2-year audited financial statement

Fees: SAR 20,000 for 1st year, and annual SAR 62,000 afterwards

3.3.2. Reserve a trade name for the Saudi company

- Reserve by visiting a Ministry of Commerce (MC) representative at MISA's Investor Advisory & Relation Center
- Copy of company's commercial registration of the from the country of origin (attested by the Saudi embassy in that country)
- Complete "Commercial Name Booking" form
- Provide copy of valid ID along with Saudi phone number

Fees: Free

3.3.3. Study of article of association (AOA)

- Apply through company's account at MISA's online portal

[Learn more ↗](#)

- Provide copies of the following: Saudi CR, MISA license, Power of Attorney (POA). The POA is to be attested by Saudi embassy, Ministry of foreign affairs in the Kingdom, and Saudi Ministry of Justice. Also, it is to be translated to Arabic by a certified translation office.
- Visit MISA's Investor Advisory & Relation Center to sign the AOA by a legal representative of the company

Fees: SAR 500 + VAT

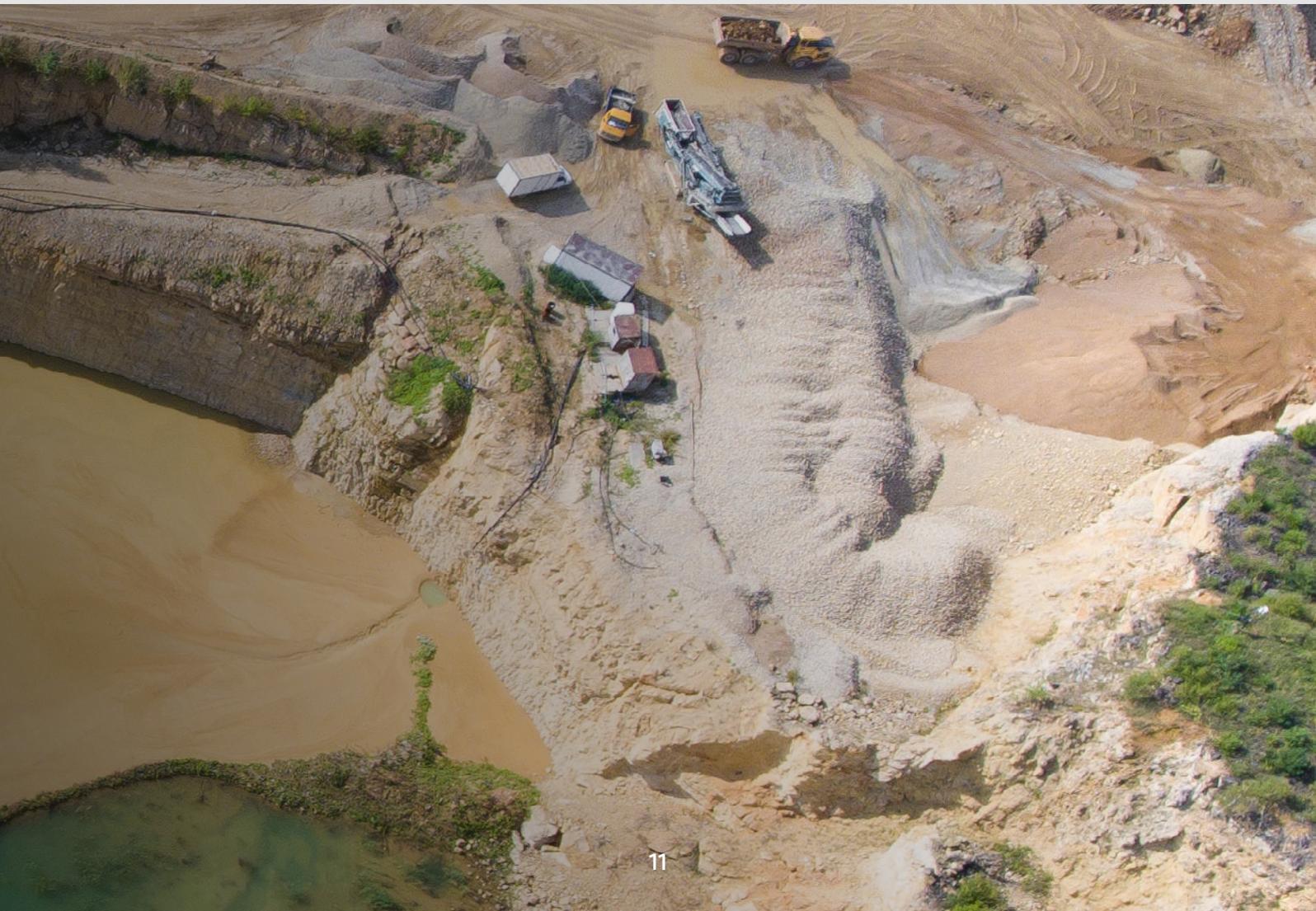
3.3.4. Issuance of commercial registration (CR)

- Apply through company's account at MISA's online portal

[Learn more ↗](#)

- Provide copies of the following: MISA license, authenticated AOA, Saudi and foreign CRs, POA

Fees: SAR 1,200 annually + Chamber of Commerce fees



3.3.5. Register with the chamber of commerce

- The company will automatically obtain a membership in the Chamber of Commerce when issued a CR

Fees: vary between SAR 300 to SAR10,000 based on which Saudi region it is located at, and it varies based on amount of capital.

3.3.6. Open a labor office & GOSI file

- After issuing the CR, entities can open both Labor Office and General Organization for Social Insurance (GOSI) files in one step by submitting a copy of MISA's investment license and a copy of the commercial registration through the Labor Office website or by visiting MISA's Investor Advisory & Relation Center.
- After opening a Labor Office file, apply for a General Manager's visa through the company's online account

Fees: SAR 2,000

3.3.7. Register with the Zakat, Tax, and Customs Authority

- Register through ZATCA's online portal

Fees: Free

[Learn more ↗](#)

3.3.8. Apply for a municipality license

- This service enables entities to obtain a municipality license through Balady's website
- Registration rules, fees, and regulations differ depending on the company's business activity mentioned in the CR.

[Learn more ↗](#)

3.3.9. Open bank account for the company

- This service is available to all entities after a commercial registration has been issued. Documents to be submitted are based on the entity's type (LLC, branch, etc.) and based on the foreign ownership in the company.
- For details and assistance:

[Email MISA ↗](#)

3.3.10. Obtaining special approval (for restricted activities)

- Entities with restricted activities must refer to the relevant government authority for approval, for example the Ministry of Energy, ministry of Industry and Mineral Resources for mining projects.
-

3.3.11. Apply for mining license

- Apply for mining license through Ta'adin online platform (see section 4 in this document)
- Please refer to sections 3.1 and 3.2, above in this document, to choose the designated mining license. In addition, these two sections will help specify the targeted mineral types, and it will help identify the requirements for each license.

[Click here ↗](#)



4. Ta'adin Platform

Ta'adin platform is the major tool that supports implementing mining law objectives.

It is an online platform that aims to provide all services related to the mining sector, where the investor can complete all necessary procedures easily through the online platform.

[Learn more ↗](#)



5. National Geological Database (NGD)

National Geological Database portal from Saudi Geological Survey (SGS) is a web-based geospatial data portal application that acts as a client for geospatial and geosciences information & services. It is used to find, view, and query geosciences data of the Kingdom published by SGS as web services & maps and to integrate multiple sources into a single map view that can be easily navigated.

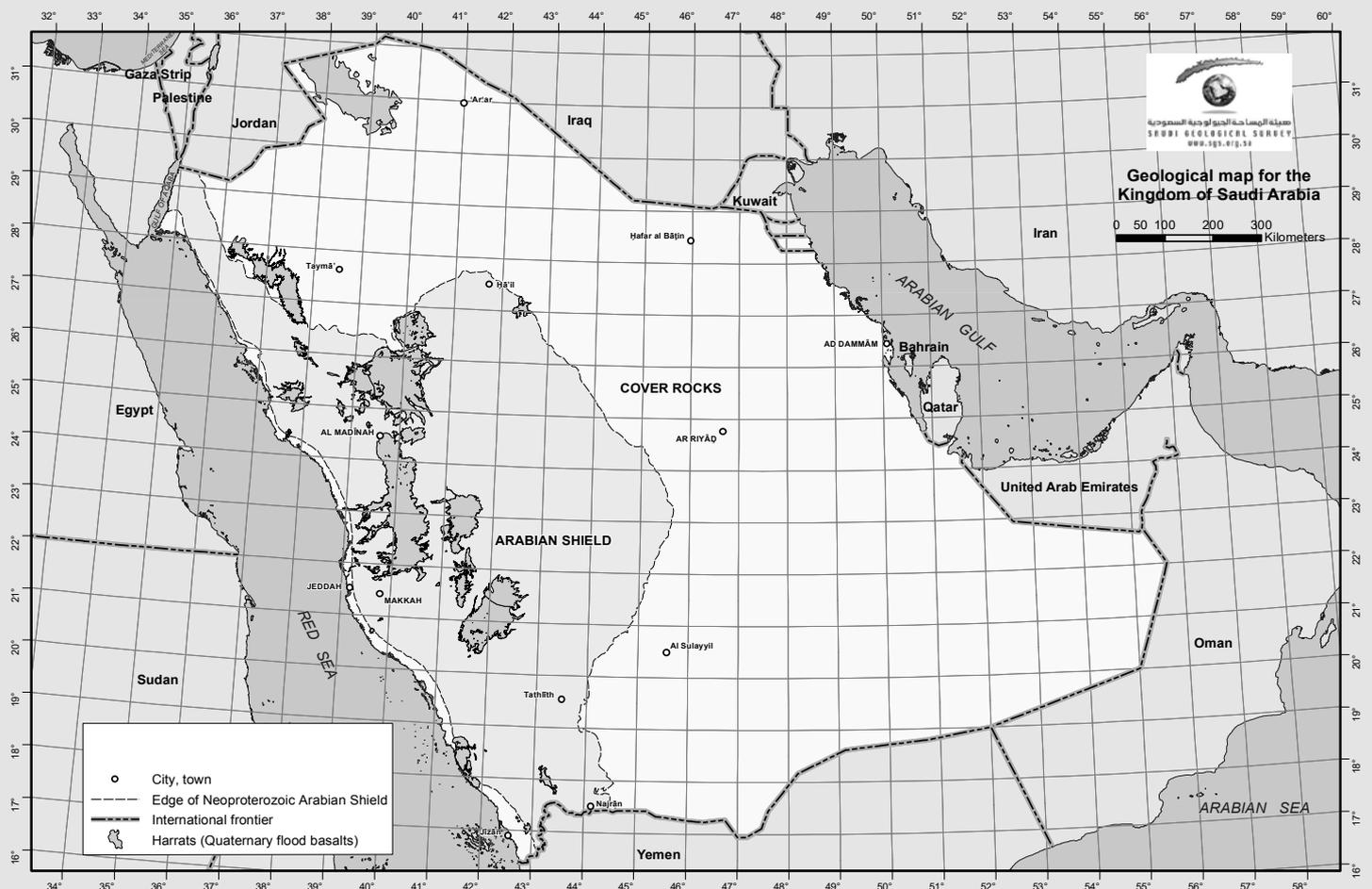
The NGD portal simplifies the process of finding, connecting to, and displaying spatial data published through Web services. It ensures smooth browsing through intuitive navigation controls and technical advances such as asynchronous communication, which ensures that panning and zooming are not interrupted by having to wait for servers to respond. The client's utility is enhanced by additional tools such as measuring area and distance, controlling the appearance of individual map layers, and saving and recalling the current map context.

The NGD has the following key features:

- | | |
|---|--|
| 01. View Published Geological, Mineral Occurrences & SGS Topographic Maps | 07. Save and restore current maps views |
| 02. Simultaneously display maps from different map layers, including the transparency adjustment for a single layer | 08. Show overview window. |
| 03. Query for Mineral Occurrences Data-base | 09. Search and browse data (raster, vectors, services, and business data) via Explore Data Catalog Tab from National Geological Database Catalog archive |
| 04. Query for datasets in the National Geological Database Catalog. | 10. Provides 2D map control supporting the display of a base map and rendering other supported data sources properly |
| 05. Provide intuitive mouse control for simple map navigation and better user experience. | 11. Multilingual |
| 06. Measure distances and areas with measuring functions within the map: 2D. | 12. Print map |

For more information about the NGD

[Learn more ↗](#)



6. MIM

Success Partners

6.1. Saudi Geological Survey (SGS)

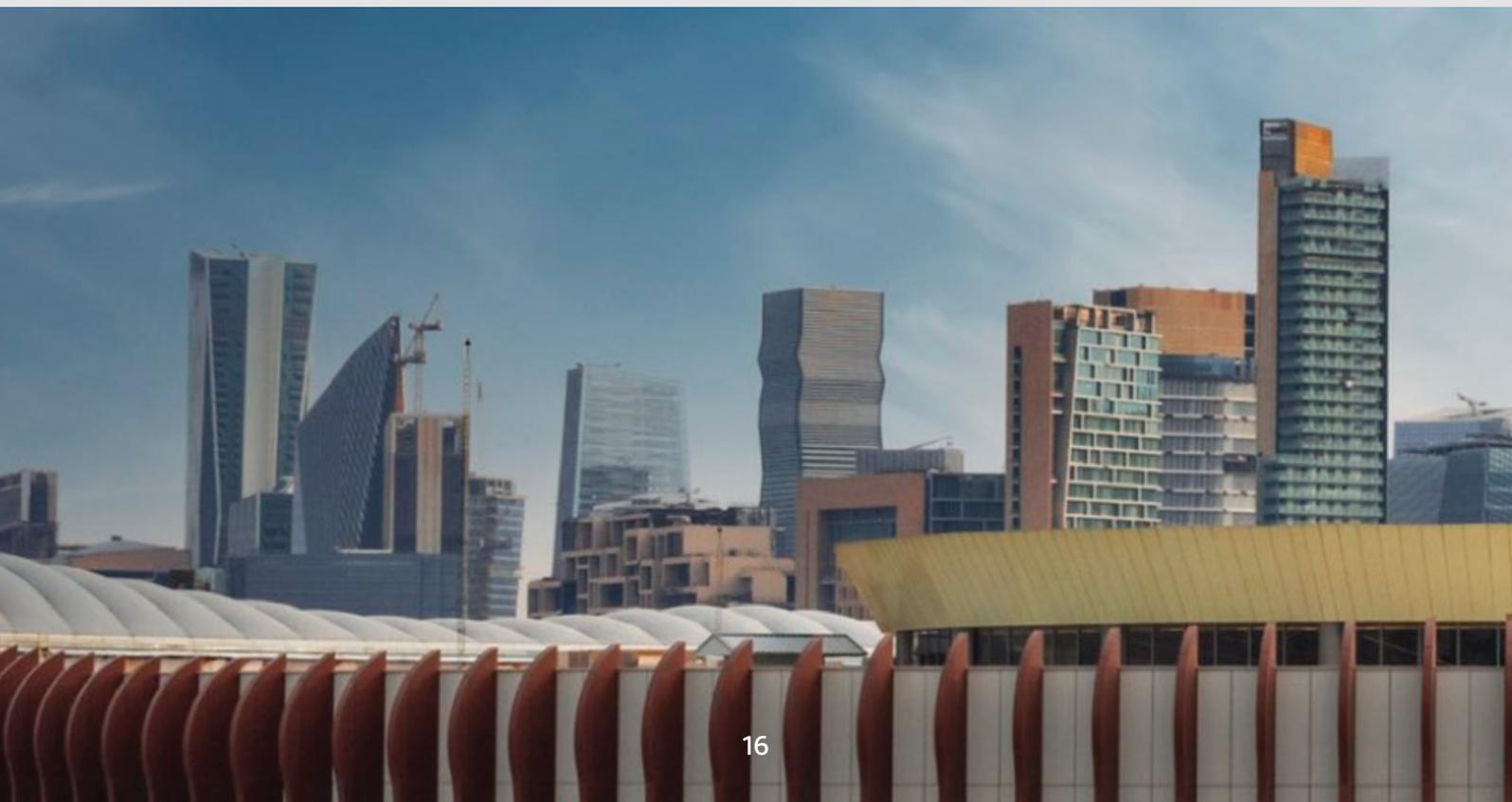
SGS hunts data in Geology such as geological surveying and mineral exploration. It also prepares and implements maps and geological studies, with the promotion of mineral resources of all sorts, and investment opportunities in mining.

[Learn more ↗](#)

6.2. Ministry of Environment, Water and Agriculture (MEWA)

MEWA achieves environmental sustainability, natural resources, and food security with supporting the agriculture movement in the Kingdom by providing various programs and financial support to farmers.

[Learn more ↗](#)



6.3. Ministry of Investment of Saudi Arabia (MISA)

MISA markets the investment sector in the Kingdom to investors by studying and improving opportunities, utilizing them to lure investors at the domestic and foreign levels. It also enables them to carry out their business activities, extend their business and utilize their expertise and techniques in training and employment.

[Learn more ↗](#)

6.4. Ministry of Commerce (MC)

MC is developing and ensuring the sustainability of the commerce sector in Saudi Arabia. The Ministry of Commerce's mission focuses on improving the business environment in Saudi Arabia through enacting, developing, and supervising the implementation of flexible and fair-trade policies and regulations and deepening strategic partnerships with various relevant agencies locally and internationally to bolster confidence between the merchant and consumer and support the national economy.

[Learn more ↗](#)

6.5. Saudi Industrial Development Fund (SIDF)

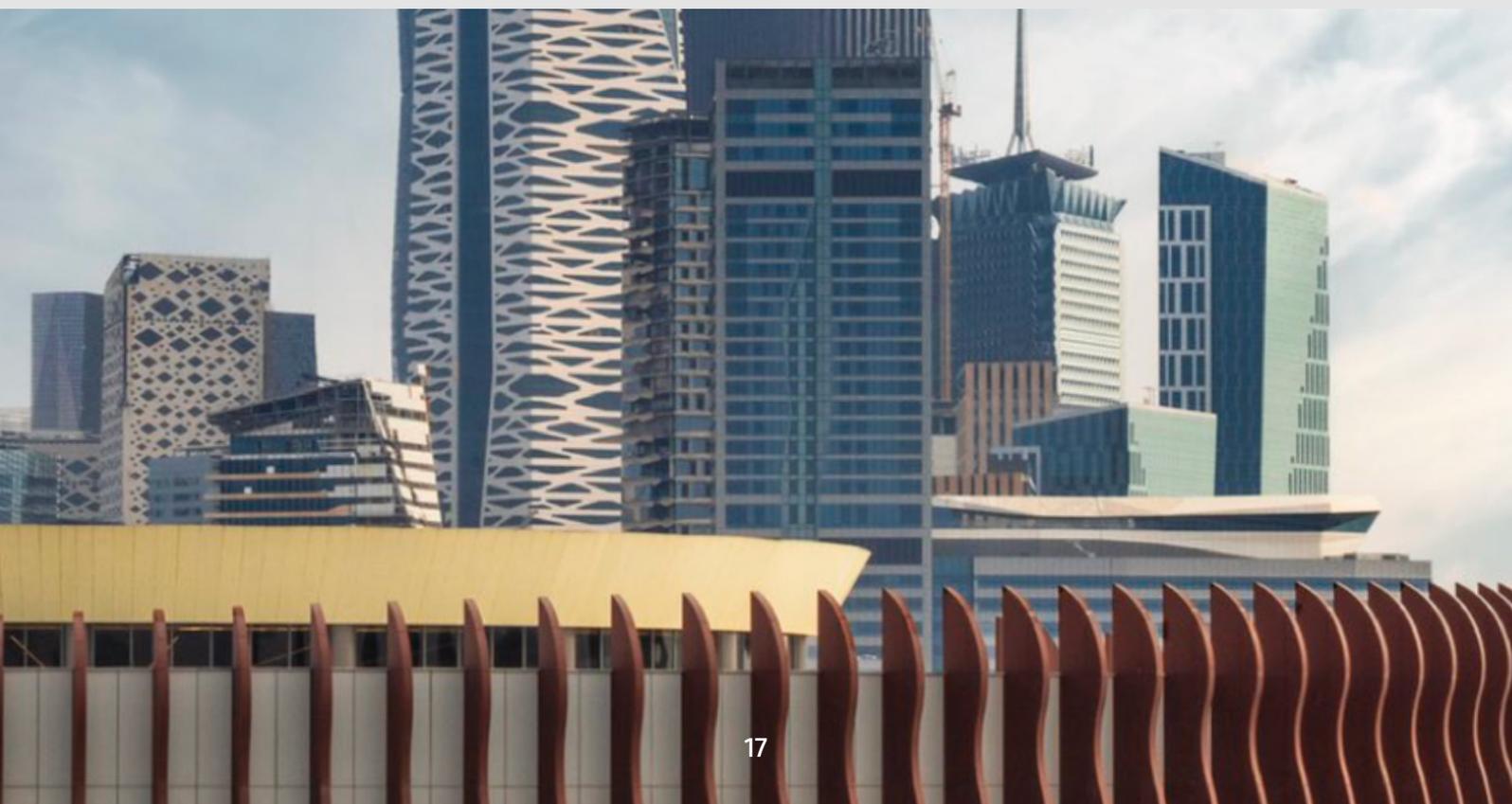
SIDF contributes to advance the Kingdom of Saudi Arabia to be an advanced industrial kingdom as well as developing competitive institutions and strategic initiatives.

[Learn more ↗](#)

6.6. National Industrial Development Center (NIDC)

The National Industrial Development Center develops industrial parks and leads development in five sectors distinguished by exponential growth and targeting export abroad. These sectors are automobiles, minerals, mining operations, desalination, and energy spare parts, chemicals, pharmaceutical industries, and biotechnology.

[Learn more ↗](#)



7. Contacts and Disclaimer

The intent of this publication is to provide potential investors and the public with broad information on the minerals and metals sector in Saudi Arabia. This publication has been prepared based on information available at the time of writing and is not intended to provide comprehensive information, advice, or endorsement of specific projects, nor should it serve as a basis for making investment decisions. The Government of Saudi makes no warranty of any kind with respect to the content and accepts no liability, either incidental, consequential, financial, or otherwise, arising from the use of this publication.

For additional information with respect to any matter discussed in this guide or for assistance on any transaction, please contact us directly at

investmining@mim.gov.sa

For more information about Saudi mining sector and mineral resources :

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