



Ma'aden
Annual Report
2019

GETTING STRONGER in the DOWNTURN

11th Anniversary



Ma'aden
Annual Report
2019

بِسْمِ الرَّحْمَنِ الرَّحِيمِ



Custodian of the Two Holy Mosques
King Salman bin Abdulaziz



Crown Prince, Deputy Prime Minister and Minister of Defense
Prince Mohammed bin Salman bin Abdulaziz





Ma'aden
Annual Report
2019



Gold

Gold enjoys a special status in the **Ma'aden** business mix. It is the most well-known of our product lines, with a history reaching back to the beginnings of recorded history.

Our Mahad Ad Dhahab ('cradle of gold') mine was actively mined as early as 3,000 years ago. Gold was the first commodity mined by **Ma'aden** and provided the foundation for our subsequent growth and diversification.



Ma'aden
Annual Report
2019



Aluminium

Aluminium, one of the world's most versatile metals, is a fitting symbol of our evolution as a company. Just as aluminium is shaped and changed into a wide range of goods, its development has shaped and changed Ma'aden into a world-class, future-focused company.



Ma'aden
Annual Report
2019



Phosphate

Phosphates are a naturally occurring form of the element phosphorus, one of the three primary nutrients required for photosynthesis and crop growth. At **Ma'aden**, we mine phosphate rock and process it into phosphate fertiliser products, that is exported globally.



Ma'aden
Annual Report
2019



Industrial Minerals

In addition to its petroleum, natural gas and metallic mineral riches, Saudi Arabia is also blessed with industrial minerals – materials other than fuel, metal or gemstones mined for their commercial value.



Growing Along the Way

Confidently and ambitiously, **Ma'aden** is leading the way in the mining and metals industry in Saudi Arabia and worldwide. It is not just the efforts that position us in the forefront, but actually the sense of leadership that we decide to take on. This is why it is not surprising that **Ma'aden** is now among the fastest growing mining and metals companies in the world.

We have achieved rapid growth over the past decade to become the largest multi-commodity mining company in the Middle East and a global mining industry leader in terms of market capitalisation.

Our post-IPO growth and diversification have transformed **Ma'aden** from a gold producing company to a global phosphate powerhouse and a large-scale aluminium producer, in addition to specializing in industrial minerals and copper.



Vision

A sustainable mining champion with global presence.

Mission

Champion the responsible development of the mining sector as the third pillar of the Saudi industry by maximising the value of the mineral resources for our stakeholders and adopting best-in-class practices.





Our Values

Ownership

Personal responsibility and empowerment of others for quality results in pursuit of our collective goals.

Integrity

Honesty, fairness and the highest ethical and business standards in our relationships with each other and with our stakeholders.

Teamwork

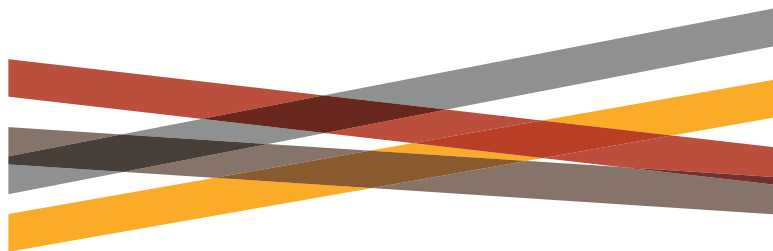
Communication and collaboration with each other and with our partners to achieve success together.

Care

Concern and respect for our people, the communities we touch and the environments we operate in.



Board of Directors



Ma'aden's Board of Directors is responsible for the overall strategy and direction of the Company's business. The Board consists of 9 directors appointed by the Ordinary General Assembly for a term of 3 years.



H.E. Yaser bin Othman Al-Rumayyan
Chairman - Governor of the Public Investment Fund

Bachelor's degree in accounting from King Faisal University in Saudi Arabia.



H.E. Suliman bin Abdulrahman Al-Gwaiz
Governor of the General Organisation for Social Insurance

Bachelor of Business Administration from the University of Portland, USA
Vocational qualification in Banking Operations Management, Citibank Institute, Greece
Vocational qualification in Corporate Financial Management, Citibank Institute, USA



H.E. Eng. Abdullah bin Ibrahim Al-Saadon
President of the Royal Commission for Jubail and Yanbu

Bachelor's degree in chemical engineering, King Fahd University of Petroleum & Minerals, KSA
Master's degree in chemical engineering, University of Louisiana, USA
MBA from the Massachusetts Institute of Technology (MIT), USA



H.E. Eng. Khalid bin Saleh Al-Mudaifer
Deputy Minister of Energy, Industry and Mineral Resources for Mining Affairs

Bachelor's degree in civil engineering
MBA, King Fahd University of Petroleum and Minerals, KSA
International Business Diploma from Oxford University





Dr. Klaus Kleinfeld
Advisor to the
Chairman of the Board of Directors, NEOM

MBA, University of Göttingen, Germany
PhD in Strategic Management, University of Würzburg, Germany



Dr. Richard O'Brien
CFO and CEO, Newmont Mining

Bachelor's degree in economics, University of Chicago, USA
Juris Doctor in Law, Lewis and Clark Law School, USA



Eng. Abdullah bin Mohammed Al-Issa
CEO, Asilah Investment Company

Bachelor's degree in industrial engineering
Master's degree in engineering management, Southern Methodist University, USA



Lubna bint Suliman Al-Olayan
CEO and Vice Chairperson, Olayan Finance Company

Bachelor's degree in science, Cornell University, USA
MBA, Indiana University, USA

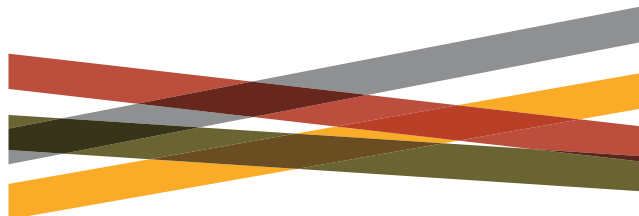


Eng. Azzam bin Yasser Shalabi

Bachelor's degree in civil engineering, Oklahoma State University, USA
MBA, Massachusetts Institute of Technology (MIT), USA



Corporate Management



Darren Davis
CEO on an acting basis



Abdulaziz Asker Al-Harbi
Senior Vice President, Corporate
Services and Security



Khaled bin Sulaiman Al-Ohali
Senior Vice President,
Corporate Affairs



Eng. Hassan Madani M. Al-Ali
Senior Vice President,
Phosphate and IM Business



Riyadh bin Sa'ad Al-Nassar
Senior Vice President,
Aluminium SBU





David Schummer
Senior Vice President, Gold
and Base Metals



Khaled Bin Salem Al-Rowais
Senior Executive Advisor



Nabil Bin Abdulaziz Al-Fraih
Executive Advisor to the CEO
and Senior Vice President,
Human Capital



Emad Mahmoud Al-Saadawi
Vice President, Corporate
Exploration



Abdulaziz Al-Najim
Vice President, Projects (PME)
and Business Improvement



Ayed Hamoud Al-Mutairi
Vice President, Corporate
Strategy and Development



Table of contents



Introduction: Growing Along the Way	15	Searching for Harmony with Environment	76
Board of Directors	18	Local Content Plan to Reach Excellence	78
Corporate Management	20	Driven by Efficiency. Guided by Progress.	80
Table of Contents	22	Embracing Diversity to Build Community	82
01 Start of the Journey	25	05 Exploration: Found Underground	85
Ma'aden numbers in 2019	27	Safety and environmental stewardship	86
Where We Reached: Key Industrial Milestones	28		
Ma'aden World Wide started in Saudi Arabia	30	06 Mineral Resources and Ore Reserves: Showing Earth's True Value	89
Empowering Our People	32	Ma'aden's Growing Resource and Reserve Base	90
Ras Al-Khair, the Phosphate and Bauxite Ores Superhub	34	JORC Code Definitions	94
Wa'ad Al-Shamal, the Big National Ambition	36	International Public Reporting Standards	116
		A Global Phosphate Power	123
		Sepping up Performance	127
02 Ownership of Leadership	39	07 Enhancing Competitiveness	131
Chairman Statement: Our Eyes Are Fixed on the Horizon	40	Ad-Duwayhi Mine Excels, While Plans for New Projects Make Headway	135
Exhibiting the Future's Bigger Picture	42	Growing Reputation as a Copper Producer and Exporter	140
03 The Bigger Picture	51	08 Governance, Risk and Compliance	143
A Larger Strategy to Include Digitisation and Lean Management Throughout 2025	52	Safety and Sustainability: Our Greater Focus	
04 Sustainability Within People	59	Risk Management: The Knowhow of the Unknown	154
Board of Directors: The Quest of Inner Aspiration	61		
Our Sustainability Initiatives	62	09 Consolidated Financial Statements: Earth's Hard-Core Liquidity	161
Unlocking the Power Within	66		
Absolute Safety	70	CFO's review of financial statements	170
		Financial Statement	190





Ma'aden
Annual Report
2019

A person wearing a dark jacket and silver reflective safety gear is working in a dark industrial setting. The person is positioned on the left side of the frame, with their body angled towards the right. The background is dark and industrial, with some structural elements visible. The overall tone is dark and moody, with a focus on the worker and their safety gear.

01

Start of the Journey





Ma'aden Numbers in 2019

Safety

100%

Completion of life saving role training

Phosphate

SAR **52** Billion to build Ma'aden's third world-class phosphate facility

Environment

90%

Baseline is developed across **Ma'aden**

Gold

394,117

Ounces of Gold produced in 2019

Aluminium

1,798,340

Tonnes Smelter Grade Alumina production

Growth and diversification were the hallmarks of the decade for **Ma'aden**, resulting in higher contribution to GDP, new world-class assets, steady increase in product portfolio, production and sales.

Generation of more jobs and professional opportunities and steady increase in profit and earnings.



Where We Reached

Key Industrial Milestones

This is how partnership and stakeholders were aligned with Ma'aden strategy 2025 for the best achievements

2008

- **Ma'aden's** SAR **9.25** billion IPO, offering 50 percent of **Ma'aden's** shares for public subscription in July 2008.
- Reallocation of Al-Bai'tha village and mine to **Ma'aden**.
- **Ma'aden** Infrastructure Company signs an MoU to develop facilities in Ras Az-Zawr, which later became Ras Al-Khair Industrial City.

2009

- Signing of the aluminium joint venture agreement with Alcoa Corporation to develop one of the world's largest, fully integrated and lowest-cost producers of primary aluminium, alumina and aluminium products.
- Agreement between **Ma'aden** and Saline Water Conversion Corporation (SWCC) and construct a joint power plant to generate 2,400 megawatts of electricity and **1.025** million cubic metres of desalinated water per day to support **Ma'aden's** aluminium complex and downstream industries in Ras Al-Khair.

2010

- Construction of the aluminium complex begins in Ras Al-Khair industrial city.

2011

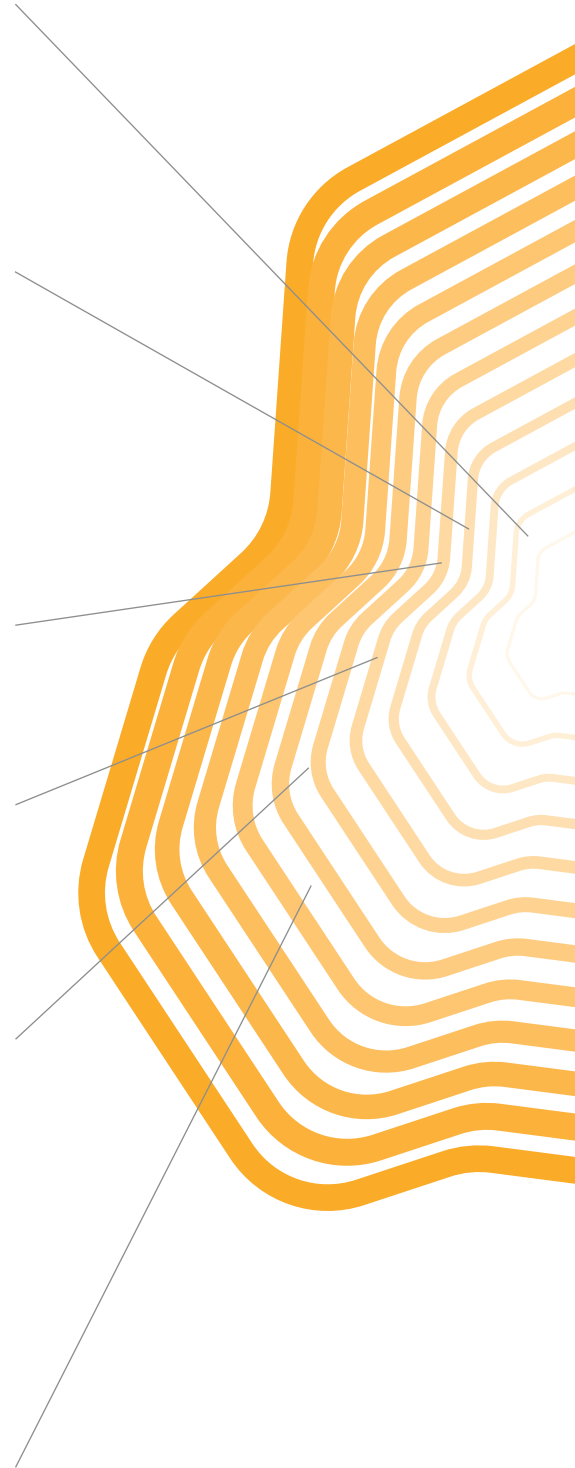
- First phosphate fertilizer shipment from MPC.
- **Ma'aden** Phosphate Company (MPC), our joint venture with Saudi Basic Industries Corporation (SABIC) formed in 2008, begins commercial production of ammonia. Industrial Minerals Company (IMC) begins commercial production of caustic calcined magnesia in Madinah Industrial City.

2012

- MPC produces **1.53** million tonnes of DAP fertiliser in its first year of commercial production.
- **Ma'aden** aluminium smelter produces its first hot metal.
- Government approves Wa'ad Al-Shamal minerals Industrial City project, with **Ma'aden's** second large-scale phosphate mine and plants as its centrepiece.

2013

- Agreement signed to establish **Ma'aden** Wa'ad Al-Shamal Phosphate Company (MWSPC) as a joint venture between **Ma'aden**, The Mosaic Company and SABIC.
- **Ma'aden's** first shipment of aluminium products sold in the local market. The caustic soda plant at Sahara and **Ma'aden** Petrochemicals Company (SAMAPCO) begin production to meet the caustic soda requirements of **Ma'aden's** aluminium operations.
- **Ma'aden's** aluminium can sheet rolling mill begins production.



2014

- **Ma'aden** aluminium refinery produces its first alumina.
- Contracts awarded for the construction of Wa'ad Al-Shamal phosphate complex.
- **Ma'aden** Aluminium Company continues to ramp up production, and ingot production to **665,000** tonnes a year.

2015

- Annual gold production reaches **400,000** ounces from **45,000** ounces in 2007.
- **Ma'aden's** aluminium Sheet Rolling Plant begins production.

2016

- Official inauguration of Ras Al-Khair Industrial City by the Custodian of the Two Holy Mosques King Salman bin Abdulaziz.
- Production begins at Ad-Duwayhi Mine, our largest gold mine with estimated reserves of **1.9** million ounces of gold.
- **Ma'aden** adopts 2016-2025 strategy to drive further growth and expansion, enhance efficiency and excellence, accommodate the changes in global markets and tackle new challenges.
- The strategy sets new production goals for phosphate fertilisers and gold.
- **Ma'aden** announces plans to build a third large-scale phosphate project, Phosphate 3, in Saudi Arabia.

2017

- First phosphate fertilizer shipment from MWSPC.
- **Ma'aden** Wa'ad Al-Shamal Phosphate Company (MWSPC) plants begin operations.
- Feasibility studies underway on Phosphate 3 project.
- Feasibility studies underway on Mansourah- Massarrah and Ar-Rjum gold mines.
- The vertical shaft kiln producing dead burned magnesia begins commercial production, expanding our industrial minerals portfolio.
- Commercial production of Ammonia begins at MWSPC.

2018

- The Custodian of the Two Holy Mosques King Salman bin Abdulaziz inaugurates Wa'ad Al-Shamal minerals Industrial City.
- Phosphate 3 project moves ahead with the award of the first construction contract to build a **1.1** million tonne per year ammonia plant.
- Monolithic premix is added to our industrial mineral's portfolio.
- MWSPC announces the start of commercial production.
- **Ma'aden** Rolling Company announces the start of commercial production at the flat rolled products plant.

2019

- **Ma'aden** made its first international acquisition with the purchase of an African fertiliser distribution company "Meridian Fertiliser Group."
- **Ma'aden** announced the largest exploration budget in Saudi Arabian mining history.



Ma'aden World Wide Started in Saudi Arabia

Our operations are growing constantly and reaching new markets that we aspire to supply and cover. We commissioned eight new mines and constructed 17 processing and manufacturing plants over the decade, extending our footprint across central and northern Saudi Arabia. Our global marketing and sales network grew in tandem, enabling us to become a global supplier of phosphate products, industrial minerals, aluminium, gold and copper concentrate.



Operating mines

4

2009

12

2019



Processing and
production plants

3

2009

20

2019



Export destinations

2

2009

30

2019



Global Markets

KEY

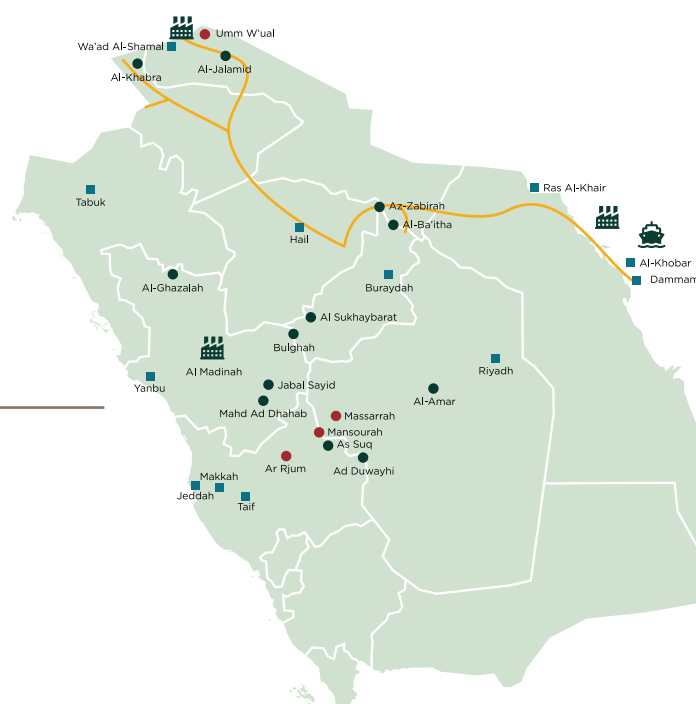
-  Gold
-  Aluminium
-  Phosphate
-  Ammonia
-  Industrial minerals



Ma'aden's Operations

KEY

-  Industrial complexes
-  Advanced exploration projects
-  Mines
-  Cities
-  Railway
-  Port



Empowering Our People

In any organisation, nothing is more precious or important than its own people.

In **Ma'aden**, our goal is to unlock the power of our people.

Human resources capability building were one of the greatest challenges we faced, especially in our early years.

We partnered with other institutions to develop a new Saudi mining workforce that serves **Ma'aden** now and in the future as well as the mining industry in Saudi Arabia. Our current focus is on empowering our people by providing them safe working environment, leadership and professional development.





3,739

Mine workers



524

Mine supervisors / Superintendent



407

Site engineers



275

Subsidiary management



179

Corporate management



698

Administrative staff





Ras Al-Khair, the Phosphate and Bauxite Ores Superhub

The last decade saw the building of a new downstream minerals processing superhub, the Ras Al-Khair Industrial City in the Eastern Province of Saudi Arabia, which was constructed under the supervision of the Royal Commission of Jubail and Yanbu and inaugurated by King Salman bin Abdulaziz in 2016.

The City is a great example of public-private collaboration, with modern infrastructure facilities built by the Saudi Port Authority, Saline Water Conversion Corporation (SWCC) and Saudi Railway Company (SAR) making it possible for **Ma'aden**'s new large-scale industries to operate and reach new horizons.

Ras Al-Khair hosts our integrated aluminium and phosphate complexes. The mining superhub is supported by well-conceived infrastructure, including a 1,400-kilometre railway connecting to the main mines in the country, a major port facilitating export operations, one of the world's largest water desalination and power generation plants and a modern residential village for staff.



Aluminium complex
investment

SAR **40.5** billion

Phosphate industry
investment

SAR **52** billion

SWCC
(water and power)
investment

SAR **27.4** billion

Railway
investment

SAR **25** billion

Village and infrastructure
investment

SAR **1.9** billion

Built with an initial investment of over SAR **131** billion, Ras Al-Khair will continue to play a pivotal role in the growth of the Saudi mining industry and in industrial diversification by providing significant downstream investment opportunities.



Mining jobs created
for Saudi citizens

12,000



Wa'ad Al-Shamal, the Big National Ambition

SAR **31** billion
Investment

Wa'ad Al-Shamal is the new centre of the Saudi phosphate industry, a world-class industrial and mining city in Saudi Arabia's Northern Borders Region. In short, it's a new mining victory for Saudi industrialisation.

a variety of public and private organisations from Saudi Arabia and around the world.

483

Residential units

The inauguration of Wa'ad Al Shamal by King Salman on 22 November 2018 came as a fitting tribute to **Ma'aden's** success in its 11th year since IPO.

It is home to the **Ma'aden** Wa'ad Al-Shamal Phosphate Complex, Al-Khabra phosphate ore mine and the beneficiation, phosphoric acid, sulfuric acid, power and downstream plants located in Umm Wu'al misne.

39

Kilometres of
Roads

Ma'aden led the development of Wa'ad Al-Shamal with the aim of capturing the full value of Saudi Arabia's phosphate reserves.

The city is connected by rail to transport phosphoric acid and molten sulphur to Ras Al-Khair, where the MWSPC downstream fertilizer plants are located and to Saudi Arabia plans.

SAR **15** billion
GDP contribution

The Minerals industrial city is another shining example of our collaboration and partnership with the Saudi stakeholders, and



26,000

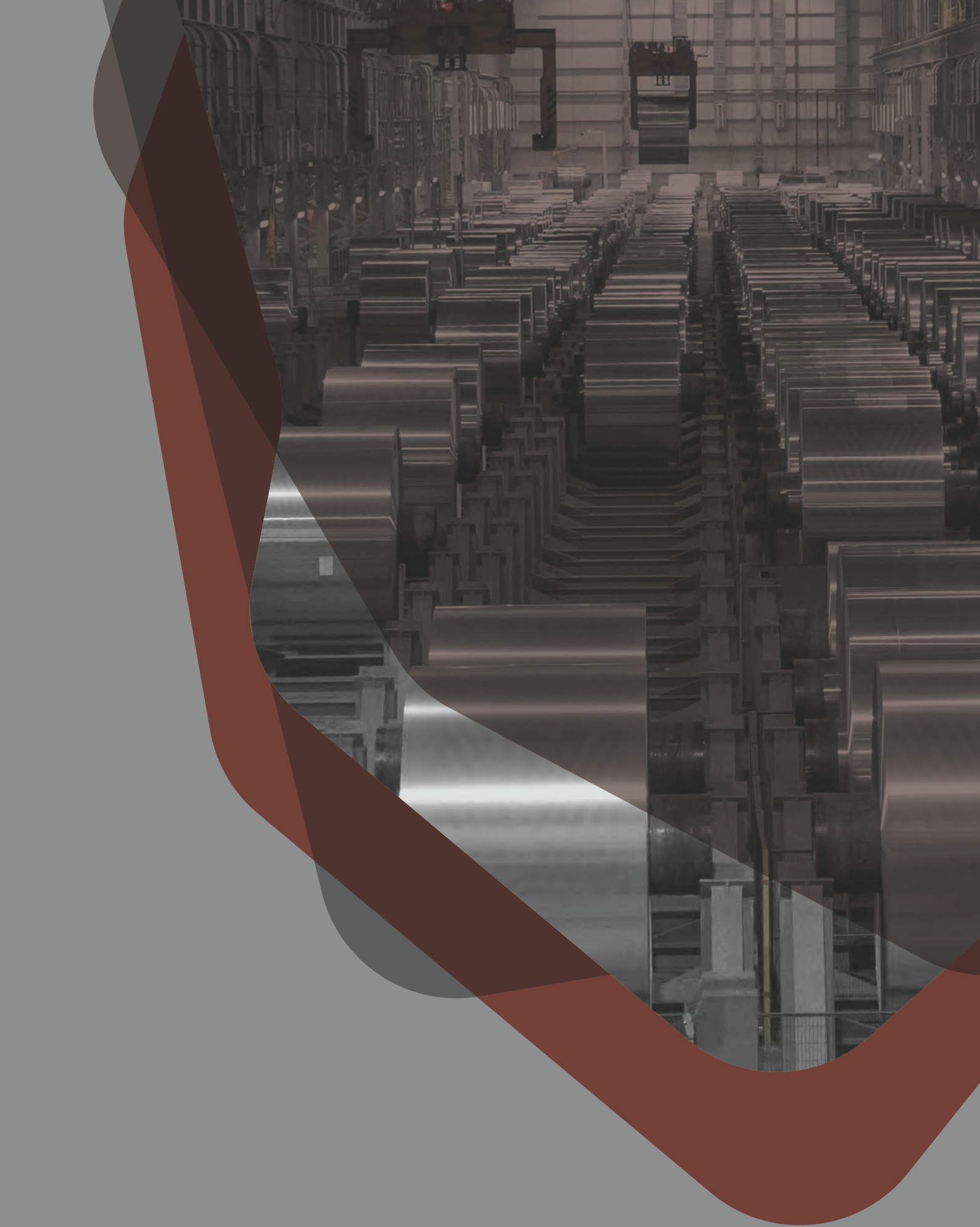
People worked on the
project

7000

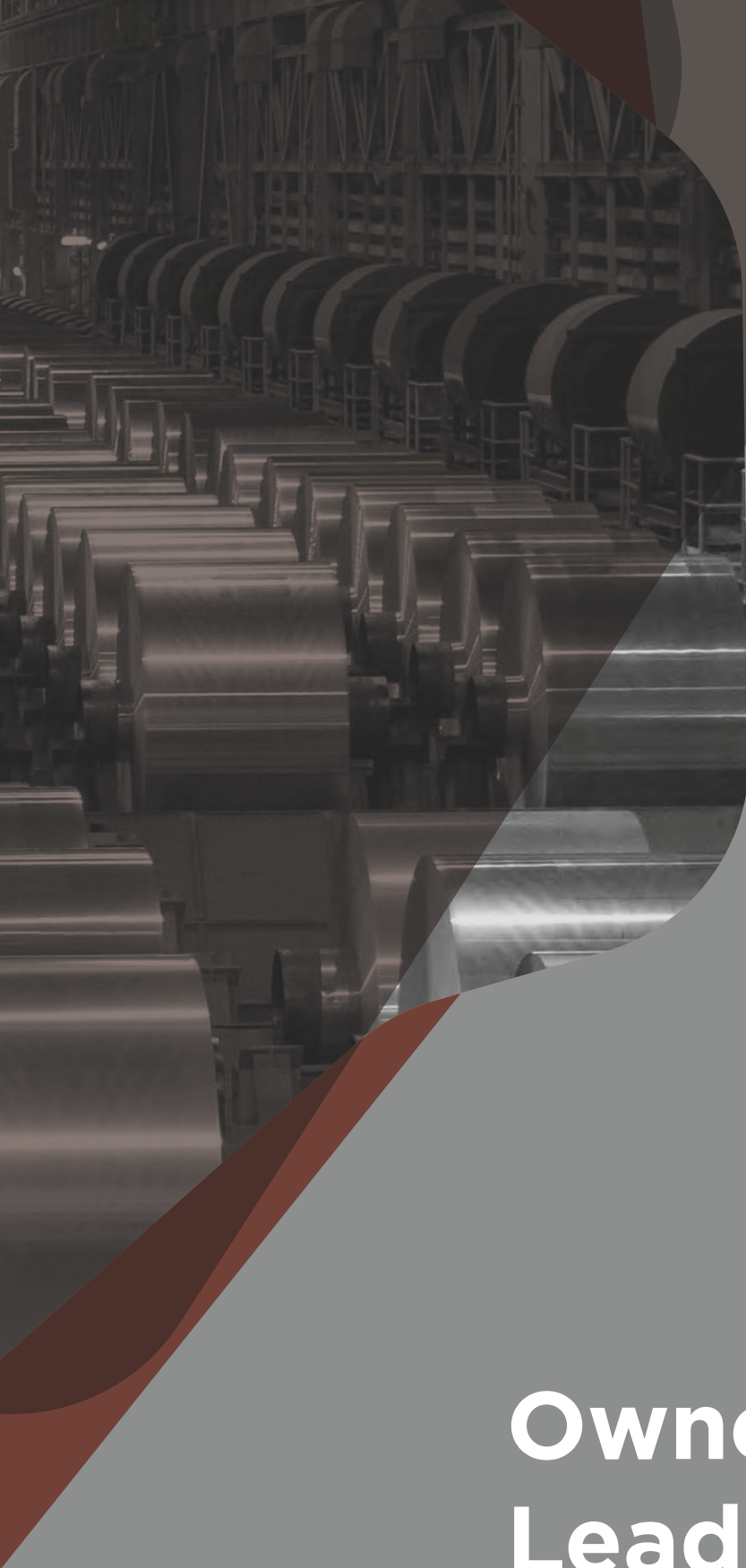
Jobs created for Saudi
citizens







Ma'aden
Annual Report
2019



Ownership of Leadership

Ma'aden continues to balance its commitment of delivering a significant return for its shareholders while competing to be the champion of the mining industry in Saudi Arabia

Our Eyes Are Fixed on the Horizon



Since our IPO in 2008, Ma'aden has gone from strength to strength. Now it is time for us to look further and navigate Saudi Arabia's national mining champion into the future.

Ma'aden plays a key role in the future of the Kingdom of Saudi Arabia. We are the Middle East's largest multi-commodity miner and one of the largest mining companies in the world. As the Kingdom's national mining champion, we are proud to build the third pillar of Saudi industry and support the delivery of Vision 2030 alongside our colleagues in the nation's other key industrial development sectors of oil and petrochemicals.

It has been 11 years since Ma'aden was listed on the Saudi Stock Exchange and in many respects, 2019 was a year of reaching for new horizons. We have tackled a challenging commodity market and proceeded tirelessly towards our goal to become a sustainable mining champion with global presence.

We started work on our largest ever gold development, the Mansourah and Massarah Project. At an investment of approximately US

\$880 million, we expect to generate an average of 250,000 ounces of gold per year during the life of the mine.

We also initiated our international portfolio expansion with the 85% all cash acquisition of Meridian Fertiliser Group. The move marked a very important step in our strategy to build global distribution channels for our fertiliser business, which is already one of the largest in the world.

Our US \$6 billion 'Phosphate 3' project in Wa'ad Al Shamal is underway, and when it is complete in 2025, our phosphate fertiliser production should be the second largest globally, reinforcing our role as a keystone in Saudi Arabia's contribution to global food security.

The commodities market was unstable throughout the year due to a complex international geopolitical situation and weak commodity prices. Despite incurring net losses as a result of this, we remain stable and well-positioned to forge ahead with our plans. One thing that is clear when we look back at 2019 is that the maturity level of Ma'aden belies the company's age. We are proud to continue to deliver on the promise made to our investors at the time of our IPO, and let me assure you, there is more to come.

What Being Sustainable Means to Us

Ma'aden has made a strategic commitment to operational, commercial and capital excellence. This means that we consider every business decision carefully through the lens of prolonged care and consistency for people and planet.

The formation of a new Board committee in 2018 to oversee Safety and Sustainability across our operations is bearing fruit. Our Safety Culture Transformation Programme, SafeSTEPS, is currently active across the entire business. This Programme is designed to build a positive safety culture and a workplace that is free of incidents and injuries through a shift from a reactive, performance-based approach to safety to a proactive, risk-based approach.

During 2019, we also created a Sustainability Framework, based on the recognition that we need to operate in a way that meets the

needs of the present without compromising the ability of future generations to meet their own needs. This means that our investments will be financially profitable, technically appropriate, environmentally sound and socially responsible. We are implementing the tenets of this framework and look forward to continued collaboration with international and local experts.

Another way we are evolving our business is through a Digital Transformation Programme to increase efficiency and cost saving while simultaneously reducing the risks associated with active mining sites by using drones and remote systems.

Mining and the use of mineral resources are key components of the National Industrial Development and Logistics Programme (NIDLP), the largest of the Vision Realisation Programmes designed to deliver against the goals of Vision 2030. As the national mining champion, Ma'aden plays a prominent role in the realisation of the potential of the national mining sector.

We are devoted to supporting the growth of a national workforce in Saudi Arabia and providing education and career opportunities in some of the most remote regions across the country. Our mines have not only helped boost local economies, but led to increased Saudisation of our workforce and enabled significant improvements in the availability of educational opportunities for local people.

Governance

Ma'aden's Board of Directors brings an array of experience and expertise from diverse backgrounds. The combination of skills and experience both from inside the mining industry and from other global industries means we are guided by a roster of experts that challenge us and make us work smarter, which is invaluable for our future development.

The Board plays an active role in guiding the company's 2025 strategy and is working closely with the management to ensure its successful execution. Ma'aden continues to hold a leading position for our work to improve transparency by initializing new measures for raising the standards for ethics and compliance.

Governance is more important than ever in today's global business climate. Given the diversity of Ma'aden's portfolio, our ambitious expansion plans and growing international customer base, we believe that our continued efforts to strengthen corporate governance will go a long way in serving Ma'aden's future.

What the Future Holds

In the last decade, we commissioned 8 new mines and constructed 17 processing and manufacturing plants, including the full industrial city in Ras al Khair, which continues to drive value to the business despite the volatile year for aluminium. We are not done growing. The projects we are working on in our gold and phosphate businesses will continue to strengthen our position in the industry, and we continue to responsibly explore opportunities for organic and inorganic growth.

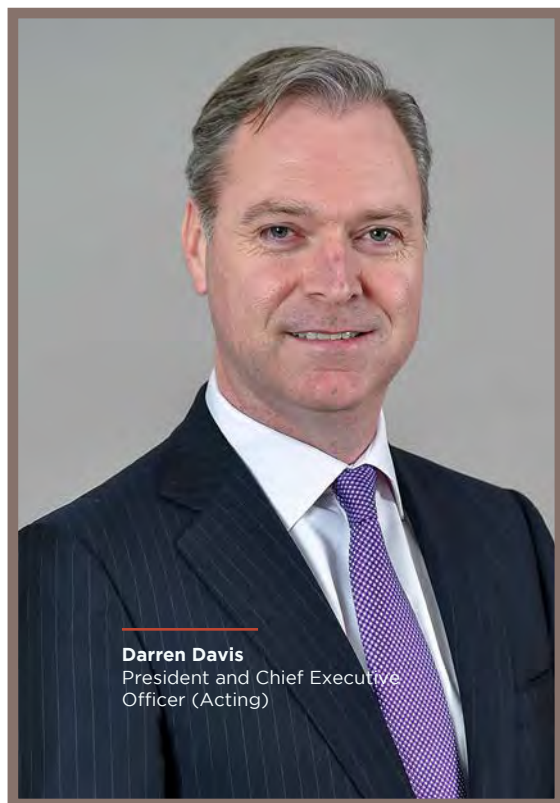
Ma'aden currently holds licences to explore over 24,400 square kilometres of land across Saudi Arabia, predominantly across the Central Arabian Shield. The area is rich in gold and base metals, which are essential to satisfy the Kingdom's rapidly expanding industrial sector.

The executive management and the entire Ma'aden team continue to deliver the goals set by Ma'aden's 2025 strategy and Vision 2030. Management systems, policies and practices are being regularly updated and new and emerging technologies deployed to enhance efficiency across the Group.

On behalf of the Board of Directors, I assure our investors that we remain in a financially stable position and equipped to take on greater challenges. We are primed for success in the years ahead, and we thank our shareholders for their continued trust and confidence in the company's leadership and workforce.



Exhibiting the Future's Bigger Picture



Darren Davis
President and Chief Executive
Officer (Acting)

When we took stock of the year that had passed, it was clear that 2019 had been a year of decisive strategic decisions. The last decade saw us complete the transition from a small-scale goldminer to a large, multi-commodity minerals company, and we have still not stopped accelerating.

Ma'aden has embarked on new growth journeys across our commodities, to future-proof our business and enable us to deliver against the objectives set out in our 2025 strategy.

Two of the key projects that are moving forward at great speed are the Mansourah and Massarah Gold Mine Project, which is now in the construction phase, and the expansion of our operations in Wa'ad Al Shamal through our third large-scale phosphate complex 'Phosphate 3'. We restructured our aluminium rolling business

and reached a milestone for our phosphate fertiliser business through the completion of our first international acquisition to strengthen our global distribution channels and grow our presence in Africa, a continent that remains a strategic priority for the phosphate industry.

The industrial cities of Wa'ad Al Shamal and Ras Al Khair have both completed a year of successful operation at maximal capacity. This means we are now able to fully leverage the potential of the strategic investments we made with our partners into the Kingdom's mining sector to generate value for shareholders.

'The Discovering the Unknown', this year's annual report theme, is based on the very core of our business. It spotlights the sensibilities of our company and our outlook for the future. The next decade promises to be just as exciting as the one we have left behind.

Strategic Investments

The nature of our business is complex, and as such we have focused on developing our business in industries that will continue to be globally competitive. Since Ma'aden IPO, we have invested heavily with the support of our esteemed partners to build a domestic mining industry from the ground up under sometimes challenging conditions, in remote areas where there was no pre-existing infrastructure.

Two of our biggest-ever projects, the industrial cities of Wa'ad Al Shamal and Ras Al Khair, were greenfield operations that required significant up-front infrastructure investments and long-term commitments, but they are now demonstrating that we are capable of operating world-class sites with state-of-the-art solutions.

The links between these industrial bases make them even more impressive. Over 1,400 km of modern railway enables us to efficiently transport raw materials from our mines for processing and export. By creating a durable, sustainable infrastructure network, we have not only enabled our own rapid growth, but prepared the market for increased competition and created favorable conditions for wider economic benefits. One area of increasing importance to the way we do business is our overall sustainability

performance. Access to competitively priced energy and water play a critical role in our overall business performance, but it is incumbent on us to be as efficient and responsible as possible with these precious resources.

We are always looking for ways to make our operations more efficient, and less resource-intensive, under the first pillar of our strategy – operational, capital and commercial excellence – because as a national mining champion, our success is not complete if it comes at the expense of the overall long-term prosperity of Saudi Arabia.

Business Context

2019 was a tough year for some of our core business segments – primarily bauxite/alumina – due to a weakened price environment resulting from geopolitical instability. We tightened the belt across our operations and focused on getting the most out of our assets by improving our efficiency and cutting costs where it made sense.

Because we operate a broad, multi-commodity business, we have remained fiscally stable and able to continue to invest in projects in the areas where we see strong promise, such as gold, copper and phosphate.

Phosphate: The long-term outlook for phosphate remains positive. The ongoing development of ‘Phosphate 3’ and our strengthened international supply network means we are well positioned to deliver against our goal to become a market leader in the industry. By 2025, we target a production capacity of 9 million tonnes of phosphate fertiliser per year, making us the second largest producer worldwide and a significant contributor to global food security.

Aluminium: Despite a challenging price environment, we have been able to increase production across our three aluminium product facilities and maintain delivery of high quality products to our growing international customer network. The fundamentals of the business remain strong, and because we control the entire supply chain from mine to market, we are uniquely positioned to adapt to the changing market conditions and demand.

Gold: Prices have continued to increase throughout the year, positioning us well to leverage short-term benefits to drive new growth. Our active gold mines are operating at full production levels, and with the gold mega-project Mansourah and Massarah under development, we are well positioned to leverage the tremendous mineral wealth of Saudi Arabia and achieve our strategic goal of increasing gold production to 1 million ounces per year.

Copper: We continue to have faith in copper as a strategic metal for the future, due to the key role it plays in electrification of the global and local economy.

Our ongoing exploration investment largely targets copper, and we have also dedicated significant effort to finding ways to increase the yield from our existing deposits, as the market battled with reduced confidence and concerns over global economic growth throughout the year.

People are top Priority

We have successfully overcome the challenges of establishing operations in remote areas by working closely with key stakeholders, not least with the local communities around our sites. It is paramount to us that we maintain a positive relationship with these communities, because they are essential to the success of our operations.

Capacity building is the foundation of our business strategy.



Ma'aden actively invests in education and vocational training opportunities, and it is paying off. Today, 70 percent of our Saudi staff at our sites belong to the local communities that host our operations. By prioritising the development of our teams through continued learning Programmes and training academies, we empower the next generation of Ma'aden leadership to deliver growth and support the delivery of Vision 2030.

We also continue to generate job opportunities within our local supply chains under the umbrella of our Local Content Programme, because we believe it is an advantage to procure as much as possible from within Saudi Arabia and – whenever possible – from suppliers based around our sites.

Future-Proofing Operations

As mentioned, digital transformation is one of our key focus areas, because it will enable us to not only increase efficiency and flexibility across our operations, but to also improve the safety and security of the work environment for our team members.

We remain dedicated to executing our Digital Transformation Programme, which launched in 2018 and is now in full swing.

The breadth of our operations enables us to cross-pollinate solutions across our commodities and be creative in our problem solving. The mining ecosystem in Saudi Arabia is relatively new compared to other mature markets, which is giving us an advantage over our competition.

Our people are the most important thing we have, and any injury or loss of life is unacceptable. Mining will always be a challenging business because mineral exploration and exploitation comes with an inherent set of dangers. This is why our Board of Directors established a Safety and Sustainability Committee in 2018. The first thing the committee did was assess the best way forward for our people and invest in an extensive Safety Culture Transformation Programme (SafeSTEPS).

SafeSTEPS is built on a simple, but lifesaving set of principles: Stop, Think, Evaluate, Proceed Safely. Since we launched the Programme, we have seen significant improvement in adherence to safety rules and avoided life-threatening injuries at our sites, but we will not stop until we achieve a 'zero harm' work environment through a combination of extensive education initiatives and frequent process reviews.

Sustainability also remains a core focus for us, and our new Sustainability Framework was developed in accordance with global best practice for the mining industry to make us a global leader and deliver against our long-term aspiration of being a sustainable mining giant with global presence.

We remain committed to social development and will continue to do our best to create positive impact wherever we operate by working closely with the communities we touch. Our engagements with local communities are measured according to a strict impact-based framework that involves regularly consulting the communities on how we can best be of help to them.

To reduce our impact on people and planet, we are taking concrete measures across our businesses. Ma'aden Phosphate Company is energy net positive, because we deliver electricity back into the national grid from our phosphate fertiliser production plants.

In our aluminium production facilities, we have shifted from crude oil to natural gas to reduce emissions and we are using a dry tailings dam in our gold operations to reduce water waste and support the greening of the Saudi economy.

We have also launched an extensive biodiversity project outside our phosphate mine in Al Jalamid, to minimise our impact on the natural environment around our site.

Long-Term Goals

Our role as national mining champion means we have a responsibility to assist in the realisation of the full potential of the mineral deposits in Saudi Arabia. We are continually looking for ways to encourage local providers to build capability in the mining sector services to boost





the industry and under build the wider targets of Vision 2030 to grow the industrial sector and expand the financial contribution of the mining sector to the national economy.

Aside from maintaining our dedication to the commodity portfolio we already operate, including phosphate, bauxite/aluminium, gold and copper, we are also actively looking for ways to develop other commercially viable minerals, including potash and zinc.

We are halfway through our largest ever exploration initiative to create a long-term pipeline of viable projects in the Kingdom and solidify our position as a globally impactful mining company.

We will also continue to look for investment opportunities overseas in the markets where we see strong potential for expansion, or ways of complementing our domestic activities.

The Next Decade

Our achievements in the last 10 years fill us with optimism for what lies ahead.

We have established Ma'aden as a force to be reckoned with in the global mining industry; developed a high-performing multi-commodity mining operation and supported a generation of leaders the likes of which has not been seen before.

Saudi Arabia's mineral wealth runs even deeper than this. We will continue to collaborate with our partners inside and outside the Kingdom to deliver against the full promise of the nation and maintain our trajectory toward global sector leadership.

On behalf of the executive management team, I want to thank our Board of Directors for their unwavering leadership, our shareholders for their continued trust, our customers for their support of our products and our partners for their continued dedication to our operations, projects and new initiatives.

Finally, I want to thank our teams across the company for their tireless commitment to excellence. Every Ma'aden employee embodies our values of integrity, ownership, teamwork and care and fill me with confidence that even our very ambitious targets will be surpassed.



Darren Davis

Darren Davis was appointed Acting President and Chief Executive Officer in 2018. He joined **Ma'aden** in 2012 as Director of Corporate Finance after a 20-year banking career and was promoted as Vice President, Corporate Finance in 2013 and Chief Financial Officer in 2016. His finance experience has primarily been in the natural resources and energy sectors and he has lived and worked in the Middle East since 1999.

His experience includes mergers and acquisitions, strategic advisory, debt raising, project finance and debt restructuring. At **Ma'aden**, Davis has focused on managing the company's extensive fund-raising Programme and has played leading roles in establishing joint ventures with The Mosaic Company and Barrick Gold Corporation.

He has been a Board member of **Ma'aden** Wa'ad Al-Shamal Phosphate Company (MWSPC) and of **Ma'aden** Barrick Copper Company (MBCC). Davis graduated in 1991 from Aston University, UK with a bachelor's degree in business and administration. He is an Associate of the Association of Corporate Treasurers (UK).

Abdulaziz Al-Harbi

Al-Harbi joined **Ma'aden** in 2007 as President of **Ma'aden** Phosphate Company (MPC) and assumed his current position in 2018. He has 30 years of experience in project management, planning and operations. He has also served as the President of **Ma'aden** Bauxite and Aluminium Company and **Ma'aden** Aluminium Company (MBAC and MAC).

Before joining **Ma'aden**, he worked for SAFCO (SABIC affiliate) and SABIC headquarters.

Al-Harbi is a member of the MBAC and Ma'aden Aluminum Company (MAC) Board of Directors, and an alternate member of **Ma'aden** Rolling Company (MRC) Board. He is the Chairman of the ERADH Board (Saudi Youth Development and Engagement Programmes) and a member of the Jubail City Council.

He holds a bachelor's degree in chemical engineering from King Saud University, and a certificate in advanced management and leadership Programme from Oxford University, UK.

David Schummer

Schummer was appointed Senior Vice President, Gold and Base Metals SBU in 2018. Prior to joining **Ma'aden**, he was Executive Vice President and Chief Operating Officer at New Gold Mining Corporation. Earlier in his career, David Schummer served in various operations leadership roles for Newmont Mining Corporation over a 22-year period, including Vice-President of Operations and Senior Vice-President of Newmont's Africa operations. Schummer has over 30 years of experience in the mining industry and earned his bachelor's degree in finance from Regis University, U.S.A.

Hassan Al-Ali

Al-Ali completed a bachelor's degree in mechanical engineering (Production) from King Abdulaziz University, Jeddah.

Al-Ali began his career at Tabuk Cement Company as a project engineer in 1993. He moved to Arabian Industrial Fibers Company (IBN RUSHD — SABIC Yanbu) in 1994, where he held various roles in commissioning, production and business planning and later joined SABIC HQ in 2007 as a Business Manager of the Polyethylene Terephthalate (PET) Polymer SBU.

Al-Ali joined **Ma'aden** in 2010 as a Senior Manager, Strategy Planning and Business Development. He handled senior roles, such as Director, Strategy Planning and Business Development, General Manager of **Ma'aden** Industrial Minerals Company (MIMC) and VP Operations in **Ma'aden** Phosphate Company (MPC) in 2014.

In early 2016, he was promoted as MPC President. In 2018, he became **Ma'aden's** Vice President of Projects and Manufacturing with added responsibility of Senior Vice President leading the Phosphate and Industrial Minerals Business in an acting capacity.

He is also the Chairman of **Ma'aden** Industrial Minerals Company and a Board Member of **Ma'aden** Wa'ad Al Shamal Phosphate Company (MWSPC).



Riyadh bin Sa'ad Al-Nassar

Riyadh Al-Nassar joined **Ma'aden** Phosphate Company (MPC) in early 2013 as Vice President Technical, was promoted to President in mid-2014, and in 2016 was appointed **Ma'aden** VP of Project Management and Engineering with the added responsibility of leading the Consolidated Support Services (CSS). He is a Board Member of **Ma'aden** Wa'ad Al-Shamal Phosphate Company (MWSPC).

As the chairman of Maaden Aluminium companies, and chairman of SAHARA Maaden petrochemical Co he has more than 27 years of experience in engineering, project management, planning and maintenance. Al-Nassar worked at Eastern Petrochemical Company (SHARQ), SAFCO, MARAFIQ and Gulf Cooperative Council (GCC) Interconnection Authority before joining **Ma'aden**.

He holds a bachelor's degree in electrical engineering from King Fahd University of Petroleum & Minerals.

Khaled Al-Ohali

Al-Ohali holds a bachelor's degree in mechanical engineering - (Hons) from King Fahd University of Petroleum & Minerals.

Al-Ohali joined **Ma'aden** in 2014 as a Vice President of Strategy, Planning and Development. He also led the **Ma'aden** Aluminium's Strategic Business Unit and he was appointed into his current role as Senior Vice President of Corporate Affairs and Communications. He is also a member of the **Ma'aden** Management Committee and a Board of Manager of MRC, MWSPC and SAMAPCO.

Through the 25 years prior to joining **Ma'aden**, Al-Ohali has been involved with extraordinary leadership, advisory and analytical tasks, including leading two start-up companies, several organisational structuring, strategy planning and implementation (national and corporate), investment evaluation, dealings with multinational companies, local firms and government agencies, promoting the Kingdom with global investors, calculating the Kingdom's hydrocarbon and non-hydrocarbon incentives, planning for industrial infrastructure development, assessing economic impact of future mega industrial projects, measuring

national economic progress using metrics other than GDP and articulating several cases-for-change aimed at adjusting some public policies or proposing new ones. Al-Ohali worked at the Project Management Office of Saudi Arabian Economic Offset Programme, was a consultant for the Ministry of Petroleum and Mineral Resources and was the Vice President of the National Industrial Clusters Development Programme. He led the Saudi side of the Saudi-Japan Industrial Cooperation Taskforce and held a position as the Vice President of Charles River Associates International (CRAI) and was the Managing Director in Saudi Arabia.

Abdulaziz Al-Najim

Al-Najim obtained a bachelor's degree in system engineering/automation from King Fahd University of Petroleum & Minerals.

Al-Najim joined **Ma'aden** at the beginning of 2009 as a Director, Project Management and Engineering. He has since occupied other senior roles, such as Director, Transformation Programme (ETGAN), Vice President, Technical within MPC and Vice President, PMO and Engineering, and currently assigned as Vice President, PME and Operational Excellence.

Al-Najim is also a Board Member of MGBM and MWSPC, a member of the Management Committee and the Chairman of the Digitisation and Innovation Council.

Before joining **Ma'aden**, Al-Najim worked for SABIC, where he had a solid track record in both engineering and project management. During his tenure, he led key business projects.

Ayed Al-Mutairi

Al-Mutairi joined **Ma'aden** in 2010 and was Vice President, Strategy, Planning and Development for Phosphate and Industrial Minerals SBU prior to his appointment as VP Corporate Strategy and Development in 2018. Previously, he worked for 16 years at SABIC, holding several management roles in the company's fertiliser business.

He currently sits on the Board of Directors of **Ma'aden** Phosphate Company (MPC). He has played a leading role in **Ma'aden's** phosphate and industrial minerals business and held multiple terms as a Board Member at the Industrial Minerals Company (IMC).



He played an active role in regional and global bodies such as the International Fertiliser Association (Regional Ambassador), Arab Fertiliser Association (Economic Committee Chairman) and Gulf Petrochemicals and Chemicals Association (Fertiliser Committee Member).

Al-Mutairi earned his bachelor's degree in marketing science from King Fahd University of Petroleum & Minerals, KSA.

Emad Saadawi

Saadawi joined **Ma'aden** in 1992 and was appointed Vice President, Exploration in 2016. He leads a team of geoscience specialists providing innovative solutions to mineral exploration.

He has more than 24 years of extensive experience in mineral exploration in various senior roles as Chief Exploration Geologist, Chief Evaluation Geologist (Ore Resource Modeller) and Director, Exploration Technical Services. He was a Board Member of Industrial Minerals Company (IMC) and currently sits on the Board of **Ma'aden** Gold and Base Metals.

Al-Saadawi earned a bachelor's degree in earth science from King Abdulaziz University, Jeddah in 1992 and a master's degree in mineral resources from the University of Wales, UK in 1996.







Ma'aden
Annual Report
2019

03

The Bigger Picture

A Larger Strategy to Include Digitisation and Lean Management Through to 2025

As we progress into implementing our Strategy 2025 and long-term business model, the picture is getting bigger and clearer while we continue to deliver excellent results. This helps us tide over difficult times and deliver what we promised our global shareholders a decade ago.

Last year, we celebrated 10 years since **Ma'aden** became a publicly traded company. Those 10 years witnessed one of the fastest growth stories of any company in the global mining sector as we grew from a very small gold producer to one of the 15 largest mining companies in the world.

That amazing achievement was possible through the building of a world-class team of which we are all part. We hope all **Ma'aden** stakeholders are as proud of their association with Ma'aden.



As we have come to the end of the first phase of our growth story, we took some time to reflect on what the next part of our story should be.

We are in industries that are constantly changing and influenced by global events, and at the same time we are in a country that is going through massive development as Vision 2030 is implemented.

These circumstances mean that the challenges and opportunities that we see are different to what they were 10 years ago and of course most importantly, we are a different business than we were 10 years ago.

Working with our Board of Directors, we designed a growth strategy for **Ma'aden** to take us to 2025.



Three Pillars for an Even Bigger Picture

Our Strategy is built around 3 pillars.

First, our number one priority is to operate our existing assets as safely and efficiently as possible. We have invested over SAR 100 billion over 10 years and it is our responsibility to ensure that these world-class assets are operated on a world-class basis. Examples of what this means in practice are programmes such as the Safety Culture Transformation Programme and the Digitisation Programme that are currently underway. This is a part of the strategy where each one of us can contribute directly by bringing ideas forward as to how we can run our business better.

Secondly, we want to make sure we contribute to the growth in the Saudi Mining Industry, an essential goal within Vision 2030. We aim to do this in two ways. First, we will continue to grow in our core businesses which have the biggest value to the Saudi Arabia and offer the best commercial opportunities, that is phosphate, gold, base metals and bauxite. This is being executed through our biggest ever

exploration programme which started this year, and expansion projects began in the last 12 months in our gold business and our phosphate business. At the same time, as we grow our in Saudi Arabia business, we are helping to grow the mining sector in the country. Through our commitment to localise as much of our spending on procurement and services as possible, we are helping to build the local mining support sector which will encourage others to invest in the sector.

And thirdly, we look internationally, with a focus on two areas. First, we are building our presence in the global fertiliser business. We are on a path to becoming the world's second largest exporter of phosphate fertilisers and we need to secure our ability to access markets around the world, particularly the high growth markets of South Asia, Africa and Latin America. The first step towards this was the acquisition a few months ago of the Meridian Distribution Company in East Africa. And second, we want to build our opportunity to base metals and gold beyond the assets we have in Saudi Arabia.



We believe the fundamentals of these businesses are positive in the long term and that we have opportunities to build on our advantages to invest successfully in base metals and gold projects outside Saudi Arabia in parallel to the growth we are aiming for in the country.

This strategy is ambitious in its scope but focused on building upon the foundations already built. Successful execution of this strategy will make us a truly global mining company that is positioned in some of the key commodities of the future and create value for our shareholders, employees and the communities in which we operate.

The strategy and business model that we presented to investors have worked extremely well, and we are well on our way to become “a sustainable mining champion with global presence”.

Ma’aden’s IPO prospectus, published in 2008, clearly spelt out the company’s objective and strategy:

“**Ma’aden’s** objective is to become a world-class diversified mining and minerals group, and to enhance overall value for its shareholders... **Ma’aden’s** main strategic driver is to successfully exploit the large phosphate and bauxite deposits over which it has mining licences through the production of DAP and primary aluminium ingot. It also plans to achieve significant growth in its gold mining business by exploiting known gold resources and developing new prospects primarily within the Central Arabian Gold Region over which it has secured mining or exploration rights.”

In the past years since, we have done exactly that. Today, **Ma’aden** is a world-class diversified mining and minerals company that operates two large-scale phosphate complexes, an integrated aluminium value chain, six gold mines, a copper concentrate plant and niche industrial minerals plants.

The growth of the mining industry and the potential it holds for the future have led to the building of two new minerals industrial cities in Saudi Arabia – Ras Al-Khair and Wa’ad Al-Shamal. The inauguration of Wa’ad Al-Shamal

on 22 November 2018 and Ras Al-Khair in 2016 by the Custodian of the Two Holy Mosques King Salman bin Abdulaziz was in recognition of our strategy and success at the highest level in the Saudi Arabia.

Recognition has also come from our shareholders. The consistent performance of our stock on the Saudi Stock Market over the years is the strongest sign of investor confidence in the company. **Ma’aden’s** share price has increased from SAR 20 (base price of SAR 10 and a premium of SAR 10) in 2008 to SAR 52.5 at the end of 2018, offering excellent returns to our shareholders.

Strategy 2025

In 2016, we adopted our 2025 Strategy, effectively accommodating the changes and new trends, tackling the challenges and addressing anticipated developments in the global mining industry and commodity markets. Operational, capital and commercial excellence, **Ma’aden’s** aspiration as a national mining champion and plans for global growth are the three core pillars of the Strategy 2025, built on a solid foundation of sustainability and capability building. We refresh our Strategy every year, conducting exhaustive reviews of the current external environment and internal operations.

As our Strategy consists of a diverse basket of thrusts, our annual reviews work as an opportunity for us to lay more emphasis on selected thrusts for a certain period of time. This enables us to lend added emphasis to certain elements of strategy while retaining the focus on the core.

Safety Tops 2019 Refresh

Safety received top priority at the 2019 Strategy 2025 refresh as the Board of Directors and the Executive Management were in consensus on the need for urgent corrective action in the wake of two fatal accidents at our sites in 2017 and 2018. The focus on safety resulted in top-level intervention, with the establishment of a Board committee and executive management committee to oversee the function. It also led to an enterprise-wide safety transformation programme.





Implementation of New Initiatives

We identified Digitisation and Lean Management as two major strategic priorities that need to receive greater attention across the **Ma'aden** Group to speed up enterprise-wide transformation, making the organisation more efficient in operations and business management. Both initiatives have been integrated into our strategy as important tools that will have far-reaching and positive impact on **Ma'aden's** performance. They will also enable **Ma'aden** to play its role as the national mining champion

more efficiently by supporting the further development of Saudi Arabia's mining industry ecosystem. In taking forward the Digitisation and Lean Management initiatives, we have already taken concrete steps during 2018 Digitisation, We are partnering with reputable industry leaders to deploy digital transformation solutions across our operations and business functions.

Ma'aden has been investing in technology-led manufacturing and business solutions over the past decade. Our new partnerships specifically tailored to enhance Digitisation will contribute significantly to the goal of transforming **Ma'aden** into a truly 21st century global mining company.

Digitisation will have an impact on all aspects of **Ma'aden** strategy. It will help us achieve all-round excellence, making us more competitive and unlocking new wave value creation through exploration, operations and business management. It will enhance our capability to be the national mining champion and play a stewardship role in the sector. New digital solutions will also strengthen the task of investing in and managing global operations.

Ma'aden's digital transformation in 2018 has matured with the progression of the Digital Programme across the business. The programme's core business focus has resulted in key digital initiatives being targeted, with advanced analytics pilot projects across **Ma'aden** Aluminium and **Ma'aden** Phosphate companies provide proving business cases for improved throughput.

As we continue to pursue technology to further optimise our operations, the implementation of the digital twin with data analytics in our aluminium smelter is expected to deliver benefits through the reduction of process variability and energy consumption.

As the Digitisation campaign gains more traction and as we enter new partnerships to transform the way we operate and do business, in 2019 we have delivered the key digital initiatives to return value to the business and build sustainable momentum in defining the digital programme roadmap.

Digitisation supplements and enhances the diverse industrial solution that **Ma'aden** has already implemented. Digitisation initiatives will build upon the **Ma'aden** technical ecosystem to optimise plant production, deliver safety programmes and support achievement of the business goal of competitive sustainable growth.

Lean Management

We launched an enterprise-wide Lean Management Programme in 2018 as part of our drive to consistently achieve higher levels of excellence. The programme, based on lean principles, including 'kaizen', 'total productive maintenance' and continuous improvement methodologies, covers **Ma'aden's** operations and functional areas and involves all staff, from the shop floor worker to Executive Management.

Ma'aden Aluminium has been implementing a pilot programme with the introduction of training for green, yellow and black belts along with other Lean Management tools. With green belt training already on-going, the first batch of black belt training was completed in 2018 and several Lean Management events were conducted across **Ma'aden** that focused on eliminating waste.

Based on the learning from the pilot programme and global experience, we are developing appropriate Lean Management material and training plans with a special focus on safety to be rolled out across all operations. Lean Management KPIs are being incorporated into business plans to track results and ensure compliance

Cash Generation, and Local Content

The practice of refreshing our strategy every year enabled us in recent years to take urgent action and adopt programmes to enhance efficiency and performance.

For example, in 2016 we adopted cash generation as a major savings programme under operational excellence. Over the subsequent three years, we have developed and implemented multiple initiatives, setting cash generation targets

across the organisation and achieving them. This process continues, as there are periodic assessments of cash generating opportunities, resulting in setting targets and embedding them in the business plans. The cash generation programme has resulted in a saving of SAR 3 billion over the 2016 period.

Ma'aden's focus on local content in procurements and employment has strengthened steadily over the years. The added emphasis has resulted in major achievements in boosting local content as well as laying a well-defined path ahead to achieve more.

Looking Forward

Ma'aden has evolved considerably over the past decade, steadily becoming more robust by investing in people, technology, equipment and best practices throughout the enterprise. Our Board of Directors plays a proactive leadership role, strengthening corporate governance and effectively guiding the organisation in developing strategic initiatives and meeting diverse challenges related to operations and business management.

The current strategic initiatives underway, are captured in different chapters in this Annual Report, and will have a major impact on further transforming the organisation and affirming **Ma'aden's** status as a sustainable mining champion with global presence.





Ma'aden
Annual Report
2019



Sustainability Within People



Board of Directors

The Quest for Aspiration

Ma'aden's growth and aspirations make it essential for us to embrace sustainability wholeheartedly, set clear and ambitious targets and achieve them. Over the years, we have laid the groundwork for a successful sustainability journey ahead, focusing on our core assets in **Ma'aden** - our people.

Corporate Sustainability Department is a corporate function to develop and assure sustainability practices of **Ma'aden** business.

The department is directly concerned with:

- Developing the sustainability protocols.
- Helping businesses to develop their sustainability strategies and plans.
- Advising businesses on how to develop their abilities and capacity to deliver.
- Monitoring and measuring social engagement performance of our businesses.

Ongoing Projects:

Embedding Sustainability Framework

- Working with Subsidiaries to ensure every company has the framework implementation in their strategy, business plan and budget;
- Deploy assurance mechanisms to effectively monitor the progress independently.

Capacity Building

- Work with **Ma'aden** Academy to host an adequate Sustainability development programme for all levels.

Community Engagement Survey

- Mature social engagement practices to Level 4 assured by community and managed electronically.

GRI Report

- Adopt global reporting practices (GRI standard)
- Our current sustainability strategy rests on programmes and initiatives structured under four broad pillars:
- Excellence in sustainable business
- Excellence in health, safety, security and environment (EHSS)
- Social impact
- Economic and resource impact

Under these four pillars, we have adopted 15 sub-initiatives that together make up Ma'aden Sustainability Action Plan for the period 2017-2021 (see pages 64-65). More detailed achievements related to human resources, EHSS, local content, social impact and ICT are presented in dedicated chapters in this section.

Board Oversight

Sustainability received a fresh boost in 2018 when **Ma'aden's** Board of Directors elevated it to be part of the company's corporate governance structure and agenda, along with EHSS. Through its Safety and Sustainability Committee, the Board provides oversight on strengthening our sustainability programmes and their implementation. It focuses on:

- The safety and health of our people including the contract workers.
- The security of our people and assets.
- Environmental affairs and stewardship.
- Community engagement including public health issues, social investment and sustainable development programmes.
- Internal and external goals.
- Metrics related to the above.

With the Board of Directors assuming a greater role in driving sustainability through the committee, we will be in a stronger position to implement Our Sustainability Action Plan more efficiently. The committee will review all policies, management processes and business plans related to sustainability and ensure that sufficient human and budgetary resources are allocated for the Programmes.



Our Sustainability Initiatives



Excellence In Sustainable Business

To be internationally endorsed for being an innovation-led and value-focused business

1. Develop sustainability Practices.
2. Embed circular economy concept
3. Adopt GRI reporting framework
4. Establish cost impact mechanism

To be internationally endorsed for being an innovation-led and value-focused business
Embed circular economy concept in all new businesses
Achieve GRI reporting standards
Develop sustainability costs and impact tracking system



EHSS Excellence

To establish a performance- and culture-based EHSS system across **Ma'aden** enabled by the latest technology

5. Embedded EHSS culture
6. Fully embedded EHSS culture in **Ma'aden** operations and stakeholders
7. Mining regulations
8. Roll-out safety and security
9. Introduce best-in-class fire system technology
10. Integrate emergency in all sites and response

Fully embedded EHSS culture in **Ma'aden** operations and stakeholders

Collaborating with key mining regulators

Introduce best-in-class fire system technology with emphasis on zero harm.

Achieve ISO 22320 certification



Social Impact

To be a welcomed neighbor in an empowered ecosystem

10. Mature social engagement
11. Promote social brand and fund
12. Integrate within the local ecosystems
13. Develop local content

Level 4 assured by community

Establish fund and publish audited report annually

Improve stakeholder satisfaction (internally and externally)

Develop local purchasing, supply chain, and businesses



Economic and Resource Impact

To achieve excellence in assets utilisation and utilities optimisation

14. Maximise asset
15. Optimise raw materials

Increase asset utilisation by 3-5% through reliability Programme

Exceed theoretical specific consumption



Materiality Assessment

We perform regular materiality assessments to ensure that the high priority topics that guide our decision making, strategic planning and reporting are current, relevant and meaningful to the business and its stakeholders.

Ma'aden's formal sustainability journey began only six years ago when we established a corporate department to define and lead a business-aligned sustainability strategy and programme. Since then, we have formulated and revised our sustainability strategy twice, aligning them with our business and global trends.

We also consolidated the Corporate Social Responsibility (CSR) programmes across Ma'aden.

Ma'aden's focus on its people and the hosting communities has led to remarkable return.

Today, 70% of our Saudi staff at our operations sites belong to the local communities that host our operations.

Our new local content strategy will continue to ensure that local people and local development are key considerations in all operations and new projects.

Ma'aden's projects have driven economic and social development in the regions where our mines and plants are located.

As the world embraced the 17 UN Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development, we conducted our own study to analyse the impact of **Ma'aden's** growth on development and our capability to contribute.

The exercise resulted in us adopting the seven SDGs that are most relevant to our CSR award industrial and business activities.

Besides the direct economic benefits, **Ma'aden** continues to execute a number of CSR programmes in the regions that are specifically aimed at meeting our hosting community needs.

Our largest contribution has been in the field of education, with major projects such as the establishment of the Saudi Mining Polytechnic (SMP) in Arar City and two high schools, one in Arar and the other in Turaif City in northern Saudi Arabia.

We built these institutions in partnership with the Ministry of Education and the Saudi Technical and Vocational Training Corporation (TVTC).

Year	local-local percentage from total workforce at the OP	local-local percentage from Saudi employees at the OP
2019	39.55%	61.01%
2018	40.96%	63.96%
2017	45.19%	74.32%
2016	44.88%	72.80
2015	39.63%	67.07%



1

Develop sustainability practices:

- Conduct gap analysis and bridging plan to meet ICM and Responsible Care standards
- Work closely with ICM and Responsible Care to attain their certifications
- Study, assess and map **Ma'aden** handprints
- Develop stakeholder communications Programme for handprints

2

Embed circular economy:

- Develop the KPIs for circular economy programme
- Deliver circular economy KPIs

3

GRI reporting standards:

- Conduct stakeholder engagement survey
- Materiality mapping
- Training of certified reporting staff
- Develop reporting process to facilitate GRI G4 Reporting
- Generate **Ma'aden** G4 Sustainability Report
- GRI reporting assurance

4

Cost benefit analysis:

- Establish the reporting model
- Capture sustainability investments in financial reporting
- Embed all sustainability investments in corporate accounting systems

5

Embed EHSS culture:

- Crisis management in place
- Conduct Gap Analysis for each operational unit against **Ma'aden** EHS system
- Achieve and sustain **Ma'aden** EHSS excellence level
- Achieve 30 percent completion in Diamond 5 by 2020

6

Stewardship role in setting mining standards:

- Ensure that management of all operations and projects meets local and international standards
- Take the lead in proposing mining standards to be added to Saudi regulations

7

Environmental footprint:

- Measure footprint baseline
- Determine reduction targets
- Set target for five years
- Report on progress

8

Safety, security and fire systems:

- Review and update security policies and procedures
- Monitor and implement new directives from Saudi High Commission for Industrial Security (HCIS)
- Provide Project Technical support to comply with HCIS and other directives

9

Integrate emergency response:

- Integrate the approved emergency response plan throughout **Ma'aden**



10

Social engagement:

- Ensure that all operating site a reach and maintain level 3 of **Ma'aden's** Community Management System (CMS)
- Develop level four Programmes together with subsidiaries and operation sites
- Gap analysis, site readiness and bridging plan
- Establish assurance process for the Programmes
- Leverage IT emerging technology to optimise social performance and automation in Programme implementation

11

Promote Ma'aden's social brand and fund:

- Review international funding models and best practice
- Develop strategic plan for a **Ma'aden** fund to support social Programmes
- Develop partnerships with potential collaborators
- Develop flagship initiatives

12

Integrate within local ecosystems:

- Review global industry experience and best practice
- Develop the **Ma'aden** local ecosystems Programme
- Embed the local ecosystem in **Ma'aden** strategy and business plans

13

Develop local content:

- Review global experience and best practices
- Fine tune and continue strengthening **Ma'aden** local content programme
- Embed local content in **Ma'aden** Strategy and Business Plans

14

Asset utilisation and reliability Programme:

- Develop and implement reliability-based maintenance Programme to maximise asset utilisation and prevent disruptions
- Collect and validate corrective and preventive maintenance data
- Develop Inventory Critical Components
- Leverage Technology to monitor and ensure the effectiveness of maintenance work

15

Consumption check:

- Develop raw materials and resources optimisation Programme
- Monitor and report consumption of resources (water, energy and raw material) per unit of production and benchmark against industry standards and theoretical data
- Report cost analysis for resources



Unlocking the Power Within

Our success in building a specialised workforce for the mining industry is one of Ma'aden's greatest achievements in the post-IPO decade. As we continue to do that in order to unlock the power within our human capital, we are now also focusing on grooming all levels of leadership and talent needed for Ma'aden's future needs.



The recruitment and development of people with the most appropriate knowledge, talent and skills is one of the biggest challenges that Saudi Arabia faced in developing a modern mining industry, albeit that these are universal challenges irrespective of country or industry.

The absence of a skilled and trained workforce and the tough and remote terrains of our sites are the most important human resource challenges we have been battling and effectively overcoming.

As of December 31, 2019, our workforce consists of 5,822 people and our Saudisation level stands at 68% percent.

Ma'aden's IPO prospectus in 2008 touched upon this as it explained how Ma'aden intended to build a world-class mining industry in Saudi Arabia. It cited building "**Ma'aden's** human resources at all levels so as to meet the needs of running a rapidly expanding diversified mining business" as a strategic priority.

Over the past decade, we have invested heavily in people, programmes and institutions to achieve that. Those investments have delivered great results for the **Ma'aden** Group across wide-ranging management functions and job requirements of our diverse industries, from mining to manufacturing and marketing.



The 2019 concluded HR value survey results show that our people-related initiatives and programmes are contributing immensely to the company's growth and profitability.

We continue to make new investments in people development programmes and building educational institutions that offer vocational courses tailored to the needs of our industry. Our focus today has shifted to more strategic human capital goals and the vision of making **Ma'aden** one of the top three employers in Saudi Arabia.

We also continue the effort on the Professional Development Programme for university fresh graduates and consider it as a strategic talent pipeline for **Ma'aden**. The main goal is developing the Saudi fresh talent who are via theoretical and interactive education management and leadership programmes.

In 2019, we further developed a **Ma'aden** Integrated Talent Management Framework that works as a road map for the company's future talent management projects and investments. The framework integrates multiple talent processes across **Ma'aden** and its subsidiaries and diverse functions and programmes such as:

- Learning and development
- Organisational design and staffing models
- Compensation and benefits
- Strategic sourcing and recruitment
- Performance management
- Career architecture
- Talent identification and succession planning.

Learning and Development

Our learning and development programmes promote a culture of learning within the organisation in order to enable people to grow

professionally and expand their skill sets. We have further strengthened our ongoing partnerships with the Saudi Ministry of Education (MOE) and Saudi universities.

Impacting Communities Through Excellence In Education

The Schools of Excellence in Ar'ar and Turaif earned the first runner up of the 2019 Arabian CSR Award for Excellence. The Schools of Excellence ran with maximum capacity of 651 students and will graduate the first cohort in June 2020. The Schools of Excellence Project is executed by MWSPC in the Northern Borders Region in collaboration with the Ministry of Education (MOE). The project aims at supporting the general education system in the North by establishing and running two schools that will model best practices in terms of curricula, instructional staff, learning facilitation, and educational outcomes. The schools will graduate highly qualified students who will meet admission requirements at King Fahd University of Petroleum and Minerals and other competitive in-Kingdom and out-of-Kingdom universities in engineering and science majors.

Expanding The Saudi Workforce In The Mining Industry

The Saudi Mining Polytechnic (SMP), a partnership between Ma'aden and the Technical and Vocational Training Corporation, graduated 33 operators in 2019 supporting the industrial manpower development for Ma'aden Subsidiaries and contractor companies. This brings the total SMP graduates since the inception of the program in 2012 to 537 operators. SMP has developed a plan to introduce a maintenance program in 2020 to support the Kingdom's initiatives to nationalize jobs in the maintenance vocations.



Exploring and Identifying Talented Nationals in the Northern Borders Region

In collaboration with Mawhiba, MWSPC conducted a ground-breaking initiative in support of the national campaign for the identification and development of giftedness. MWSPC facilitated the assessment of 1000 ninth grade students from the Northern Borders Region using Mawhiba assessment. This resulted in the identification of hundreds of gifted male and female students. MWSPC then sponsored 100 gifted students to attend enrichment programs at the Northern Borders University (NBU) in the summer of 2019. This initiative also established capability at the NBU as it was the first time that NBU engages in delivering programs for the gifted students.

Enriching Mining Scarce Disciplines Through Collaboration With Elite International Universities (وظيفتك وبعثتك)

In collaboration with MOE, Ma'aden identified four high caliber students who were sponsored by MOE to enroll in highly competitive universities and to major in disciplines that are core to Ma'aden business. The MOU which was signed by MOE and Ma'aden in 2017 targets a total of 35 participants in this program over four-year period.

Early Identification of Distinguished National Leaders

Ma'aden supported the effort to identify 50 distinguished university students at the national level to join the second cohort of the Qimam fellowship program. The objective of the program is to identify, recognize, develop, and

Building Capacities Through Collaboration with National Universities

MWSPC signed an MOU with NBU under the auspices of HRH the Governor of the Northern Borders Region. The MOU sets the stage for strategic partnership between industry and academia for the purpose of developing the NBR.

Boosting Ma'aden Senior Leaders Business Acumen

Three senior leaders who were sponsored by **Ma'aden** graduated with EMBA degrees in 2019. This program aims at boosting the business acumen for Ma'aden senior leaders.

Institutionalising Learning Culture through e-Learning

Learning culture was enhanced throughout **Ma'aden** organizations through access to



External learning



Benefiting



Training sessions



Customized training events



Attended



University co-op students were hosted by Ma'aden organizations



eLearning libraries that aim at developing key skills and competencies. A total of 1226 learning hours were realized through eLearning in 2019.

Enriching the Talent Pipeline with Young University Graduates

Forty-seven (47) Professional Development Program were hired in 2019 enriching the workforce with high caliber fresh university graduates.

Upkeeping Workforce Skills - Training Programmes

A total of 439 training sessions were conducted in 2019 benefiting 4678 employees. Ninety-one (91) external learning events were sponsored in 2019 attended by 172 employees. Fifty-four (54) customized training events were conducted in 2019. Eighty-three (83) university coop students were hosted by Ma'aden organizations.

Women on Board

We have adopted a strategy to increase the number of female staff. We have made a beginning with the appointment of women in senior positions in investor relations, project management, engineering and human resource departments.



Absolute Safety

Every day for us in Ma'aden is a journey that must not begin without ensuring absolute safety. This is why we are implementing a Ma'aden-wide Safty Transformation Programe that relies on the risk-based approach to safety to build a culture where safety is a precondition for work.

Ma'aden's Safety Systems and Policies have undergone tremendous changes over the past decade, driven by a commitment to continuously upgrade and adopt higher safety standards. These changes have also enhanced and supported **Ma'aden's** growth and diversification.

Mining, metal and fertiliser production have inherent EHSS risks that could result in serious personal injuries, casualties, operational disruptions and other operational and financial losses.

Ma'aden seeks to mitigate these risks through an integrated EHSS system at all locations using internationally recognised standards, policies and procedures. We have a system of group-wide monthly EHSS reporting and all incidents are reviewed with the goal of drawing lessons and preventing recurrence.

Ma'aden conducts incident investigations when an event occurs to identify the root causes and put the relevant corrective actions in place to ensure that the event is not repeated.

There were 5 high potential incidents in 2019:

- 14/03/2019: On the 14th of March, the paste plant supervisor broke an isolation lock without informing his supervisor or the General Manager as per MBCC isolation procedures. He also failed to confirm that no one was working on the paste line before the lock was removed.
- 18/04/2019: A contractor loader was tasked to remove ore that had been loaded at the Emergency Stockpile 2 (ESP2) and remove it to Emergency Stockpile 1 (ESP1). As the operator has finished tipping the ore and commenced reversing back down the ramp, he applied his foot brake and noticed that there were no brakes, the



operator made numerous attempts to engage the foot brake, but the pedal went straight to the floor. The operator has steered the loader in a straight line down the ramp and embraced himself for impact. The loader has reversed into

the storage shed causing significant damage to the structure. No injuries were sustained from this incident.

- 26/07/2019: At approximately 01:00 in the morning, two security patrolmen were conducting their second patrol for the shift. As they approached the southwestern side of the fence line (mountainous area), they descended

- 24/09/2019: Whilst The operator was in the process to load a 980H loader on to a low-bed trailer, the operator drove the loader onto the trailer. When applied, there were no brakes. He slammed the loader bucket on to the trailer to stop it and in the process the front wheels lifted up and he lost control over the loader. The loader overturned and landed on its left side next to the trailer. No one was injured from this incident.

- 26/09/2019: Two employees entered the 1555-640 drive where breakthrough drilling was in progress. They went through a no-unauthorised entry barricade. The two employees decided to leave the area after noticing that the ground conditions were not safe, drilling was not occurring at the time of the incident. They reported to their supervisor and they were suspended pending outcomes from the investigation.

There were no statutory reportable environmental incidents recorded during 2019. However, 21 minor environmental incidents occurred onsite in 2019. All of these incidents were immediately addressed, and the areas have been remediated.

Our Safety Culture Transformation Programme will shift our performance-based approach to a risk-based approach to safety and enable us to build a culture where safety is a precondition for work.

The performance-based approach relies on 'finding and fixing' deficiencies that have been identified through incidents, near misses and unsafe conditions and actions. The risk-based approach, which is being increasingly adopted by leading businesses world-wide, is founded on building

organisational resilience through proactively identifying and predicting the things that may cause incidents and putting in place preemptive barriers.

down a steep decline and the driver failed to slow the vehicle down sufficiently to make a sharp right hand turn, The vehicle slid and struck a fence post, causing significant damage to the vehicle. Both Patrolmen were uninjured in the accident.



Safety Transformation Programme (SafeSTEPS):

In 2018, Ma'aden embarked on a multi-year journey to identify and implement world-class EHSS transformation across all areas of operation through short, medium- and long-term initiatives that focuses on a risk-based approach while building a zero-harm culture.

Significant additional efforts for this programme continued in 2019 focusing on different fundamental initiatives/areas:

Safety culture assessment, life-saving rules implementation, risk identification and containment programme reinforcement, HSE management system development, incident reporting, investigation and learning processes enhancement; leadership training; HSE leading indicators (KPIs) and targets improvement; and promoting the workforce to become safety ambassadors.

- 01** Safety leadership – consistent, felt leadership in safety matters
- 02** Communication and engagement – compelling, easy-to-use and understand for all our staff
- 03** Safety competency – providing the training and competencies that allow us to do the job safely, every time
- 04** Governance – oversight that our safety journey is on track
- 05** Systems, policies and procedures – designed to deliver safe production
- 06** Reporting and metrics – providing lessons learned and measuring the progress of our safety journey through leading and lagging metrics

Reaching the desired outcomes was the result of working with the newly formed Ma'aden Executive Safety Council to provide a specific action backed with planned strategies to improve safety performances are delivering the desired outcomes.

This level of governance provides an increased level of oversight and supervision of safety and risk at all levels of the organisation.

At a Board level, there is stringent oversight of the company's safety strategy to enable delivering the desired performance outcomes.

Ma'aden Executive Safety Council is assessing safety and risk on a more tactical level, ensuring that the systems and processes that make up the strategy are being implemented within the business.

The corporate and subsidiary safety teams are working together to further develop the processes and systems that will deliver the performance improvements under the risk-based approach to safety.

The leadership oversight is only one aspect of the transformation programme.

It consists of a thorough and deep enterprise-wide assessment of safety culture maturity levels at **Ma'aden** operations. This will lead to the establishment of a baseline against which our safety culture transformation can be assessed.

Other key elements of the programme are:

- Introduction of **Ma'aden** Life Saving Rules that will help in identifying the controls that must take place before starting work and managing any risks that may arise.
- Provide a risk identification and containment programme for **Ma'aden** employees and contractors.
- Safety competency framework and matrices that will define the safety competencies that are required for all roles in **Ma'aden**.
- Enhancement of our approach to incident and near-miss reporting as well as setting company-wide standards for incident investigation.

RESULTS:

Safety Culture Assessment

An anonymous safety culture online survey has been conducted in four languages to understand employees and contractors' concerns, identifying strengths and opportunities to improve. Following the online survey and face-to-face



interviews, full day workshops were held at each affiliate site to share the common themes identified in the assessment, conduct gap analysis, and generate enterprise and site-specific recommendation list with target dates to address the concerns.

Ma'aden's Life-Saving Rules Implementation

Focusing on the highest risk activities, a set of Life Saving Rules, tailored for **Ma'aden's** specific needs and based on international best practice have been developed and implemented through 2019.

Communication Change Management

The heart of this programme is illustrated in its brand, SafeSTEPS under Ma'aden brand. It stands for the steps we should all follow when faced with EHSS risks: i.e. Stop, Think, Evaluate then Proceed Safely.

EHSS management system development

Ma'aden EHSS Management System provides a high-level corporate framework that consists of four focus areas and 14 elements, all of which to ensure consistent understanding and implementation, drive sustainable performance and to provide the knowledge and resources to everyone working with **Ma'aden** to act as safely as possible.

Leadership Training

2019 saw a total of 90 executive leaders undertake safety leadership development training sessions designed to build key behavioral skills to enhance leadership performance against eight competencies of safety leadership:

Supporting, Recognising, Role Modelling, Actively Caring, Collaborating, Challenging, Vision and Inspiring.

Incident Reporting, Investigation and Learning Processes Enhancement

Extensive efforts were dedicated to enhancing the incident reporting and investigation processes in order to help **Ma'aden** employees and contractors become more engaged in incident reporting and investigation, leading to key lessons that can be shared across the organisation.

Risk Identification and Containment Programme Reinforcement

Since failure in risk identification and containment has been both immediate and systemic cause of fatalities and incidents that cause workers to be unable to return to normal duties, **Ma'aden** continued to implement the proactive risk identification and containment programme to ensure the highest levels of risk control throughout the organisation.

Promoting the workforce to become Safety Ambassadors

To help promoting health and safety awareness across **Ma'aden** as a lifestyle attitude, and to improve all employee's understanding of excellence towards safety, **Ma'aden** launched a programme to encourage employees and contractors into becoming safety ambassadors who will act as role models and set an example in their workplaces and community to create safety culture among everybody in their sites.

2019 ACHIEVEMENTS

Our long-term plan to achieve the transition from a performance-based to a risk-based approach to safety includes a series of short, medium and longer-term actions. The short-term activities include improvements to incident reporting and investigations, risk identification and containment, introduction of **Ma'aden** lifesaving rules and safety leadership development events.

The medium to long-term activities will focus on competencies, management systems, policies, procedures, standards and leadership development required to deliver and sustain the risk-based approach and the culture of zero harm.

We are leveraging our mining and manufacturing partnerships with global industry leaders who also have excellent safety performance credentials to adopt best practices at **Ma'aden**.



A list of the achievements of the transformational programme in 2019 includes:

- A total of 91% of workforce responded to the online safety culture survey and more than 17,000 (seventeen thousand) statements coded and analysed from interviewing 15% of **Ma'aden** total workforce including contractors
- Life Saving Rules online training systems have been developed and rolled out in four languages across all **Ma'aden** sites for all employees and contractors.
- Obtained 100% completion of Life Saving Rules training for all employees and contractors via in class and/or online training system.
- Identified more than 100 employees as Safety Ambassadors through voluntary involvement and nominations to act as role-models for promoting health and safety awareness amongst their peer group and across their sites.
- Planned and conducted remote training for affiliate' Environmental Specialists and trainers for environmental incident reporting, environmental monitoring, data recording, hazardous chemical inventory, waste tracking and recordkeeping
- More than thousand employees participated in the Influenza Vaccination Campaign launched at different Subsidiaries to prevent the spread of flu on and off-job, and to promote health and well-being of employees and their dependents.
- Over 97% of employees participating in the Employee Engagement Survey responded positively to the Safety Culture Transformation Programme.
- Recertification audit for **Ma'aden** Corporate HQ EMS was successfully completed by Bureau Veritas Certification Company for the renewal of the ISO14001-2015 certification as part of HQ EHSS Programme.
- GAP assessed **Ma'aden** Environmental Standards to be aligned with local

environmental regulations, ISO14001-2015, ICMM commitments, IFC performance standards and other international best practices. Revision of the standard is planned under the EHSS Management System Framework development.

- Conducted a blood donation campaign in Ras Al-Khair
- Developed Health and Well-being programme.
- Weekly health tips sent to employees at all Subsidiaries .
- New standards added such as Illumination survey, dust control, fatigue management, fitness for duty.
- Contractor Health Criteria developed and shared with the contractor management system team.
- Reviewed current practice and conducted gap analysis; to identify the actual gaps between Occupational Health (OH) and Industrial Hygiene (IH) Management System (MS) and raise proper recommendations based on priority (short term, long term) to close the gap.

In addition, the goals of the Safety Culture Transformation Programme are consistent with **Ma'aden's** values of care, teamwork, ownership and integrity.

The programme will continue to build on our safety achievements and maturity level and is also consistent with the '5 Diamonds' initiative followed over recent years.

Beyond Compliance

The Safety Culture Transformation Programme goes beyond mere compliance.

It actually covers all people working at our sites, whether direct employees or contractor staff.

It will provide enhanced training and support to leaders so that they are more effective in conducting safety and risk-based discussions with staff.

It is designed to elicit the views and concerns of the workforce with the aim of understanding and controlling risk more effectively.





Employee involvement and engagement are the most important aspects of the new safety culture that we are building.

Safety is everybody's responsibility and the safety culture survey is the starting point in engaging all staff.

Every **Ma'aden** employee has the right and obligation to stop work he or she may consider

to be unsafe. As our safety culture becomes more mature and the approach to safety becomes more risk-based, the emphasis moves to never starting work that may potentially be unsafe.

Our newly established working groups are meeting regularly to monitor the progress of various safety projects underway as part of the programme.





Searching for Harmony with Environment

The year 2019 witnessed a great achievement for Ma'aden. It was awarded by RC for the best environmental initiatives

Ma'aden ecological footprint project is kicked off with the development of a baseline for all **Ma'aden** businesses on water and energy consumption, GHG emissions, and discharges intensity. 90% of the baseline is developed across Ma'aden and all Subsidiaries are encouraged to set gradual reduction targets and plans to achieve the targets in the coming five years.

The environmental monitoring program is enhanced to comply with the new environmental regulatory standards and a unified global environmental monitoring the contract is placed for all Subsidiaries to utilise the compliant monitoring services.

MBCC has submitted four quarterly reports for 2019 to General Authority of Meteorology and Environmental Protection. All the reports were submitted to the GAMEP certified environmental consultant.

The feedback received from GAMEP was positive, and they raised one issue which relates to the water quality of the wells A water management plan has been developed for the site. This includes a schedule to monitor both water quantity and quality.

Samples were sent in 2019 to determine subsurface structural and to determine Groundwater quality, and the results matched the standards of Saudi Arabia

MBCC has contracted with a Saudi geophysical consultant office to conduct hydrology and geophysical study in March 2019. The study was completed in October 2019 with the conclusion that JS operation process has no environmental impact on the aquifer.

Integrated, comprehensive geological, hydrogeological, hydrological and geophysical studies as well as a review of previous studies had been conducted in Jabal Sayid Mine area by a Saudi geophysical consulting office in May 2019 to determine subsurface structures and to determine groundwater quality.

In July 2019, MBCC received the renewal of its environmental operation permit No. 797 H /39/39891 valid until June 2020 including all projects on MBCC mine site Past Plant, Process Plant and TSF.

The site will continue to comply with all the environmental operating requirements until mine closure.



In February 2019, MBCC was issued the renewal of its environmental operating permit for Yanbu Port Shed#6, number 460H/40/17876. This permit is valid until January 2021. MBCC has committed to an improvement plan on Yanbu shed plus provided a mitigation plan to reduce any possibility of spills during shipping activity.

MBCC has conducted bi-annual reports and a marine survey in September 2019.

Risk identification and incident management standards are integral to our environmental management system. As stipulated in **Ma'aden** standards, we identify and register environmental risks, which are reviewed regularly to eliminate or mitigate their impact. The Incident Management Standard is implemented at all **Ma'aden** sites to identify hazards and take corrective actions to prevent their recurrence.

Hemaya

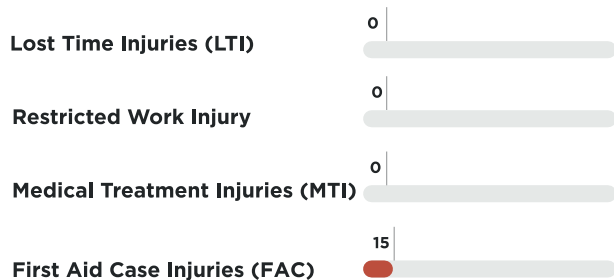
Six training sessions were conducted for environmental specialists across **Ma'aden** on Hemaya for environmental incident reporting, environmental monitoring, data recording, hazardous chemical inventory, waste tracking and record keeping.

Additionally, more than 100 end-user enhancement recommendations were received, analysed and implemented in **Ma'aden's** incident

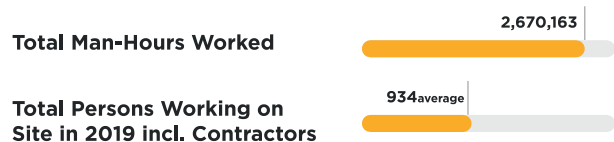
reporting tool (Hemaya) and a total of 56 employees have been trained as power users from different Subsidiaries.



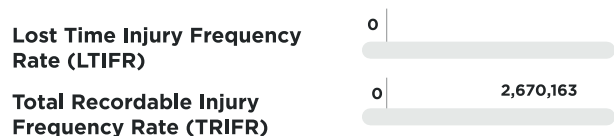
Injury Classification



Persons Working on Site



Safety Statistics



Local Content Plan to Reach Excellence

Ma'aden's greatest contribution to host community and alignment with vision 2030 ambitious is through maximising local content (and in some cases shared infrastructure such as roads or water)



Ma'aden Local Content systems include both Local Employment and Local Procurement, and are scored against:

Policies, targets, skill surveys, supplier surveys, monitoring and evaluation, training, recruitment and supply chain development.

- 30% of sites have met or exceeded 2019 target with As Suq Mine and Plant and Al Baitha Mine maintaining good performance and Jalamid having made significant progress to reach the target this year.
- Excellent progress has also been made at Al-Amar and IMC Mine and Plant sites which are just below 3.
- Sukhaybarat Mine and Plant and Bulgah Mine and Plant have made steady progress. However, they are still a little short of the 2019 target.
- Minimal progress has been made at Mahd ad Dahab Mine and Plant, Ad Duwayhi Mine and Plant due to lack of resources and handover issues.
- MWSPC has also made limited progress due to inflexible recruitment and procurement practices and lack of local content targets and awareness.
- As Suq Mine and Plant has exceeded the 2019 target, maintaining good performance from last year.
- Excellent progress has also been made at Al-Amar Mine and Plant which is just below the target this year.
- Sukhaybarat and Bulgah Mine and Plant have made steady progress, however they are still a little short of the 2019 target.



- Al Baitha has exceeded the 2019 target and made steady progress since 2016.
- Jalamid Mine and Plant has made significant progress exceeding the 2019 target of 3 this year. Local content has been championed by the Mine Director who has galvanised cross department collaboration.
- Excellent progress has also been made at IMC sites which are just below the 2019 target of 3 having made steadily improvements year on year since 2014.

Local content defines total expenditure in Saudi Arabia on Saudi labor, goods, services and technical assets.

Our targets are based on four key metrics:

- Percentage of local content in the company's supply chains
- Number of jobs generated for Saudi citizens within the supply chain
- Expenditure on local small and medium enterprises (SMEs)
- Percentage of expenditure in the local communities

These metrics form the key basis of our local content.

Six KPIs

The methodology for measuring local content depends on a value-based formula. It weighs a supplier's local content based on six KPIs: procurement spend, employment, training, research and development, supply chain development and local investment.

This is a single measure based on the cash value of local content that we use to measure the contribution of every supplier. We also use the cash value of **Ma'aden's** own local content contribution.

We are already working closely with our supply base to implement the local content programme

that has set targets to achieve the ambitious of Vision 2030. Our goal is to increase the levels of goods and services sourced within the Kingdom, and to improve the local content levels of our suppliers.

Ma'aden's position as the champion of Saudi mining makes us responsible for driving the local content ecosystem for the industry.

Our suppliers acknowledge and value **Ma'aden** leadership role in the mining sector and our alignment with the ambitious of Vision 2030.

Our engagement is strongest when it comes to our largest and most strategic suppliers. Typically, this group includes providers of core mining services and suppliers of key raw materials with whom we have long-term partnerships.

We consider these local content partners in developing plans to boost local content. We have developed a plan with 18 partners to increase the level of local content and we are holding similar discussions with more than 50 partners.

Local Content Council

Ma'aden is a founding member of the Local Content Council supervised by the Saudi Local Content and Government Procurement Commission.

The council's role is to drive the private sector's growth and increase the level of local content in projects. The Commission seeks to coordinate between companies in adopting and applying consolidated standards and methodology for local content.

Procurement Practices

Our procurement processes have been refined to include local content as a key criterion for suppliers, alongside total cost of ownership, quality, performance and health, safety, security and environment factors.

When compiling bidder lists, the procurement team ensures that every opportunity is given to local suppliers to participate in tenders.





Driven by Efficiency. Guided by Progress.

Ma'aden's decision to leverage Digitisation technology sits well with Ma'aden ICT's strategic initiatives.

Information and Communications Technology (ICT) continued to work across its three core objectives and seven strategic initiatives in 2019, delivering significant benefits across the enterprise.

In extending our customer-centric services, we completed over 450 internal customer engagements to proactively understand their ICT needs and expectations and raise their level of satisfaction.

We also conducted over 900 awareness sessions on ICT solutions for end-users. We have created a new feedback system to measure customer satisfaction and dashboards to monitor ICT performance.

The industrial solutions that we are in the process of selecting and implementing, such as Robotic Process Automation (RPA), data warehousing, mine information system and programmes under post-modern ERP will support **Ma'aden** New Digitisation initiatives. ICT preparedness will help support and accelerate **Ma'aden's** digital transformation.

We made considerable progress in implementing our strategic initiatives.

We completed restructuring ICT under shared services in 2016, resulting in streamlined customer focused services. Since then, we have reduced our staff by 16 percent, while the population of end users has grown 28 percent.

With the implementation of the **Ma'aden** infrastructure private cloud, server acquisition cycle time has been reduced from two months

to an average of four hours, and it has lowered server annual maintenance costs by 10 percent, with zero downtime.

Value addition and outsourcing: We have partnered with IBM to achieve a major transformation across diverse business functions. Our five-year agreement will result in significant improvements in the way we conduct

business and speed up the organisational transformation that **Ma'aden** wants to achieve. We have adopted 40 transition and transformation projects aimed at improving the quality of our services, increasing cybersecurity defense, introducing innovative programmes to support business growth and enhancing technical capabilities.

ICT's 3 core objectives and 7 strategic initiatives

World-class communications: In 2019, we expanded and extended our strategic relationship with Saudi Telecom Company (STC) to provide business connectivity and to improve the quality of life in remote sites by providing residential internet services at our remote locations.

Our Business connectivity across the group is 99.8 percent. Implementation of residential internet services continued through 2019. Enabled by this improved business connectivity, ICT has driven the adoption of cloud computing, capitalizing on advanced technologies such as Microsoft Office 365 and Azure to increase efficiency and agility.

Cybersecurity: In 2019 We completed the assessment of operational technologies across **Ma'aden** plants to enhance cyber security. We are working with a specialised agency to ensure network security and monitor traffic and have enhanced the associated automated process for addressing cybersecurity findings. We have also adopted a mobile device management solution that will assure that **Ma'aden** users of mobile devices are in full compliance with the company's security measures. In collaboration with the IBM Cyber Range Centre, our team had the opportunity to experience simulated cyber-attacks and ways of tackling cyber threats.

Ma'aden faced zero cyber incidents in 2018. We implemented a cybersecurity programme called Cybersmart, designed to strengthen awareness among **Ma'aden** staff. Five new security controls have been introduced, adding layers of security to protect **Ma'aden** assets.

Business intelligence: Building on the development and internal rollout of business-critical data marts in 2019, we introduced the self-service Business Intelligence (BI) concept in 2019.

A newer version of Oracle Business Intelligence was implemented in 2018 covering financial, procurement, maintenance and supply chain analytics. **Ma'aden** Wa'ad Al-Shamal Phosphate Company became the first beneficiary of the programme, which was introduced in other Group companies in 2019.

During 2019, we also introduced MS Power BI to develop new reports and dashboards for non-ERP related data covering production, sales, quality, performance and support services. We conducted 65 training sessions and published over 100 articles internally to help enhance the understanding of BI.

Post-modern ERP: Automation and the linking of administrative and operational business capabilities (such as finance, HR, purchasing, manufacturing and distribution) with appropriate levels of integration is the essence of post-modern ERP. We are working to implement the new ERP strategy for Ma'aden.

ICT is also evaluating other cloud technologies that offer the most ideal solutions for **Ma'aden** operations and businesses.



Embracing Diversity to Build Community

We strongly believe that our success depends on the success of the local communities that host our operations. It is this belief that shapes our social performance, which is invariably linked to community needs

Our aspiration is to make social responsibility integral to our operations and an everyday function at all our sites. **Ma'aden's** industries have been making a significant positive impact on the hosting communities by continually improving the local content in our projects — by employing local people whenever possible and helping develop local suppliers.

However, our social performance programmes focus on going beyond these business interests to identify and address the pressing needs of our hosting communities by providing direct support or adopting new initiatives. Our efforts over the past years have focused on providing support in key sectors such as education and training, infrastructure development, capacity and community development.



Investment Share

Our operations have always responded to community concerns, but social performance gained much more importance across the enterprise with the establishment of the **Ma'aden** Higher Community Initiative Committee in 2015. The committee is headed by the CEO, and since its formation, we have committed more than SAR200 million in social spend for the 2015-22 period.

Over the past four years, SAR111 million of this amount has been spent across 116 initiatives, with 58 percent of the investment going into education and training. In 2019, we invested about SAR30 million in 55 diverse community development and support programmes (see pages 66-67).

MWSPC and the aluminium operations contributed 91 percent of the total social spending while **Ma'aden** MGBM,IMC and MPC invested the remaining.

CMS Target

The social performance of our operational sites is measured by the Community Management System (CMS) that defines different levels of achievements to which we aspire. Two of our 10 assured sites have achieved Level 3 of the system and the others are working towards that goal. We are working to help the sites achieve the target of level 3 of CMS by 2020.

In 2019, we invested more resources to drive our social performance programme. Each site will have a dedicated corporate social responsibility manager who will be educated and trained in engaging with the hosting community, understanding their urgent needs and conceiving support programmes that create a sustainable positive impact.

Schools of Excellence

In 2019, we spent over SAR 16 million to sustain the two Schools of Excellence in Arar and Turaif, Saudi Arabia, sponsored by **Ma'aden**. The schools, managed by a third party, opened two years ago and their students have compiled an impressive profile of achievements at the local and national levels. Arar City and Turaif City are two key cities in the Northern Borders Region where some Ma'aden plants are located.

The schools stand out as excellent examples of **Ma'aden's** commitment to CSR and sustainable development as the overall objective of the initiative is to support the general education system in the Northern Borders Region of Saudi Arabia. **Ma'aden** is also supporting the national programme for talent identification and development by sponsoring the assessment of 1,000 students from Arar and Turaif.

Sponsorships

Ma'aden invested SAR 509,250 in 2019 in sponsoring industry events and other programmes held in Saudi Arabia. The events include the First Industrial Environment Forum and Exhibition in Dhahran and the International Conference on Sustainability and Environment organized by the Royal Commission for Jubail and Yanbu in Jubail. We also participated in the World Environment Day 2018 conference organized by the Royal Commission in Jubail.

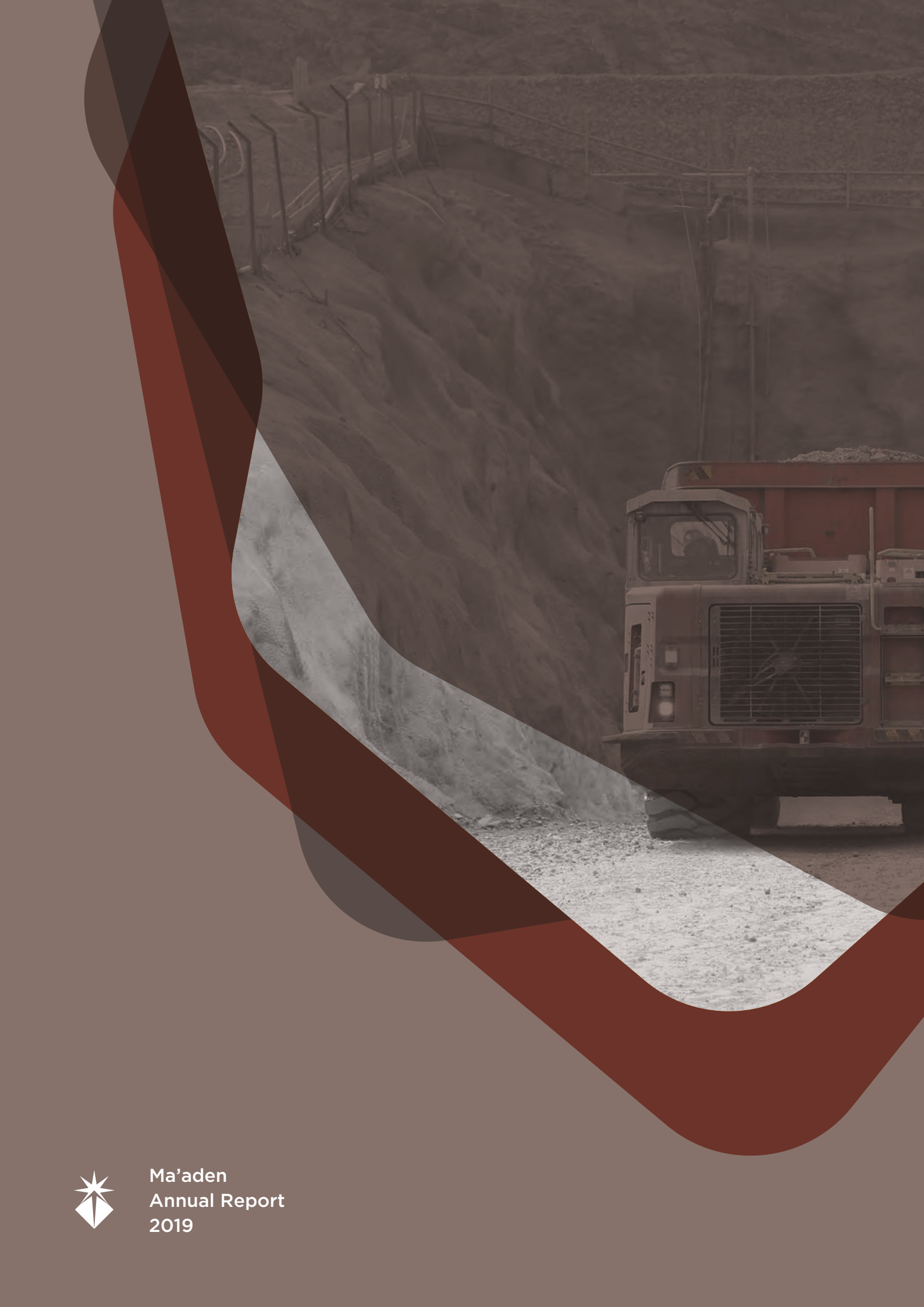
Course for General Authority for Meteorology and Environmental Protection

Ma'aden also designed and facilitated a four-day training course for the staff of the General Authority for Meteorology and Environmental Protection Authority of Meteorology and Environmental protection (GAMEP), offering the services of an international consultant specialised in mine closure planning and implementation.

The course enabled GAMEP staff to gain a comprehensive understanding of the issues and considerations involved in mine closures, including planning, legislation and best practices, stakeholder engagement, geological and hydrological impact.

The Royal Commission for Jubail and Yanbu (RCJY) honoured **Ma'aden** with a shield of honour in acknowledgement of Ma'aden social responsibility commitment and its support of the Commission's FABLAB-Jubail programme that encourages innovation and creativity. **Ma'aden** contributed SAR 470,000 to support the programme.





Ma'aden
Annual Report
2019



05

Exploration

Finding the Underground

Since the formation of our company over twenty years ago, Ma'aden has sustained a strong commitment to mineral exploration as an essential driver of our corporate growth strategy.

Safety and environmental stewardship

We deliver new discoveries safely and responsibly. The safety of our people and minimizing our environmental footprint was and remains fundamental to our exploration work in the Kingdom. The company performs regular audits of its sites to ensure full health, safety and environmental compliance. Ma'aden Exploration has implemented the real-time satellite tracking of all field vehicles operating in remote desert areas to allow rapid emergency response. We are trialing wearable sensors to monitor the health and safety of our people in extreme desert operating conditions.

Achievements

The role of Ma'aden's Exploration division is to explore, discover and evaluate the new mineral resources, which are essential to replace the ore reserves progressively depleted by mining and by our downstream businesses. Our exploration team has achieved an outstanding track record of success with the addition of large mineral resources in gold, phosphate and bauxite for Ma'aden over the last twenty years. These resource have delivered a pipeline of growth options to our businesses. Ma'aden's resource discovery cost was lower than the global industry benchmarks and is very competitive with our major mining company peers.



Exploration focuses on both brownfield exploration near our mines to maximize the life and value of our existing operations and on greenfield targets to develop the large new mines needed to expand our business. In 2019, Ma'aden increased its exploration budget to SAR 250 million (US\$67 million). As a result of this investment, the Exploration team doubled the metres drilling completed,

from 110,000 metres in 2018 to 245,000 metres in 2019. Two new gold discoveries were made, which will be further evaluated in 2020. We identified and tested more than 100 early stage gold and base metals exploration targets and successfully advanced targets along our project pipeline.



In our industrial minerals exploration, the phosphate resource of the Jalamid area was significantly increased in 2019 and an important resource of metallurgical grade bauxite was delineated in the Zabirah area north west of Al Ba'itha bauxite mine.

The budget for 2020 has been confirmed at SAR 205 million (US\$55 million) which will enable us to build on the success of 2019 and complete the accelerated exploration program in 2020.

Licenses

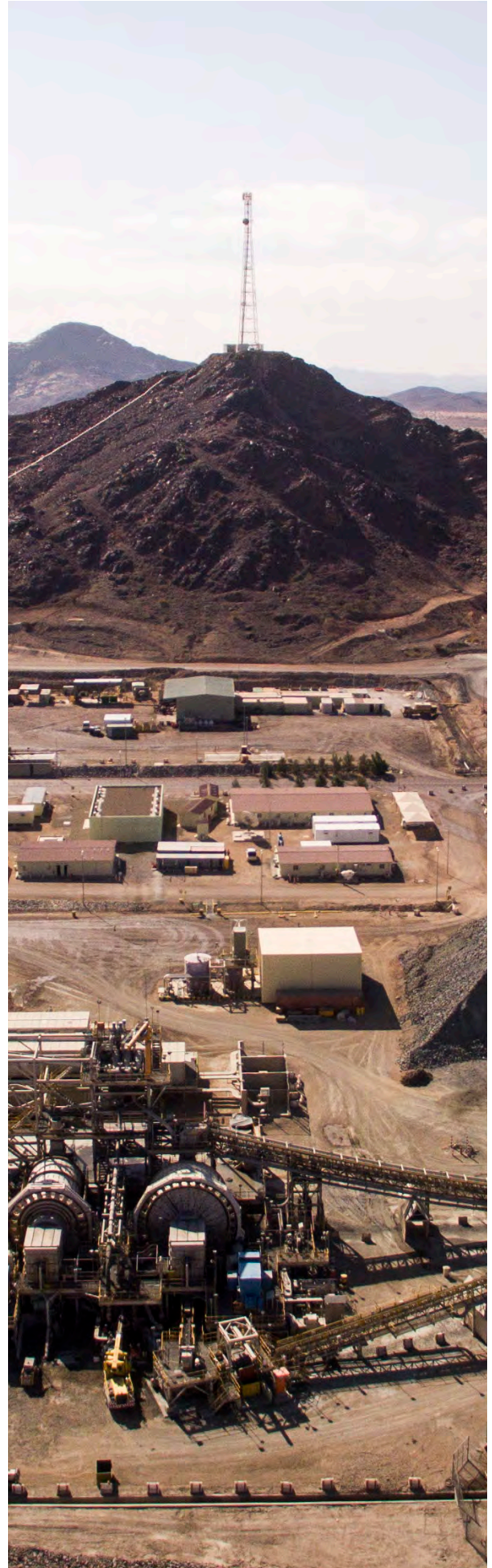
Our company holds licenses over the most prospective regions in the Kingdom, and we continue to apply for new licenses to replace our expiring licenses and sustain our new project pipeline.

In 2019, after completion of the first year of the accelerated programme, we reviewed the potential of all Ma'aden exploration licenses and voluntarily reduced the license holding from 38,750 km² to 28,400 km², a reduction of 27%.

New license applications for gold, base metals and industrial minerals totaling 36,000 km² were lodged and are awaiting approval by the Deputy Ministry of Mineral Resources

Applied technology

Our exploration team uses both conventional and leading-edge exploration technology to deliver new discoveries in the Kingdom. We have deployed sophisticated geochemistry and geophysics techniques and are trialing new methods for better exploration targeting. We introduced sophisticated wireline geophysical logging and scanning of our drill holes to optimize the quality and resolution of our data collection and interpretation.





Ma'aden
Annual Report
2019



Mineral Resources and Ore Reserves

Showing Earth's
True Value

Ma'aden's Growing Resources and Reserves Base

The Mineral Resource and Ore Reserves of a mining company are key assets providing the foundation of the business. The accuracy of these estimates is material at all project stages from the feasibility study supporting the decision to develop a new mine, to the life of mine plans, for corporate strategic plans, for annual and five-year business plans, for the annual plan and budget, to the day to day operations of a producing mine.



Contents

- The estimates of **Ma'aden's** Mineral Resources and Ore Reserves of phosphate, bauxite, kaolin, magnesite, gold and copper are reported herein as:
 - Tables of Mineral Resources for three years at 31 December 2019, 2018 and 2017;
 - Tables of Ore Reserves for three years at 31 December 2018, 2018 and 2017;
- Graphs quantifying and classifying the reasons of the changes in Mineral Resources and Ore Reserves from 31 December 2018 to 31 December 2019; and
- Listing of Competent Persons for the 2019 Ore Reserves and Mineral Resources by name, employer and professional organization membership.



International Reporting Codes

The Mineral Resource and Ore Reserve estimates in the following tables are estimated and reported in accordance with internationally recognized standards for the public reporting of Mineral Resources and Ore Reserves.

Ma'aden's Mineral Resources and Ore Reserves are reported in compliance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition (the JORC Code) with one exception. The Mineral Resource and Ore Reserve estimates at the Jabal Sayid mine were prepared according to the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) 2014 Definition Standards for Mineral Resources and Mineral Reserves. There are no material differences between CIM 2014 and the JORC Code 2012 standards, which are very closely aligned.

The Ore Reserve and Mineral Resource information in the tables below are based on estimates prepared by Competent Persons as defined by the JORC Code except for Jabal Sayid mine which is by the Qualified Person equivalent in the CIM Standards.

The JORC Code requires that all Mineral Resource and Ore Reserve estimates are prepared by or under the supervision of Competent Persons, who are members of a recognized professional organization which enforces compliance with a professional code of ethics by its members. A Competent Person must have sufficient experience in the style of mineralization, the type of mineral deposit and possess sufficient competence in the specific activity, which the person is undertaking. The JORC Code requires disclosure of any potential conflict of interest by a Competent Person for transparency of reporting. The Mineral Resource and Ore Reserve reports are published with the written consent of the Competent Persons.

Ma'aden has conducted internal peer reviews of the Mineral Resource and Ore Reserve estimates prepared by the Competent Persons before their inclusion in this annual report.

Reporting Assumptions

Mineral Resource estimates are reported inclusive of Ore Reserves i.e. the Mineral Resources are reported inclusive of the Measured and Indicated Mineral Resources, which are modified to estimate the Proved and Probable Ore Reserves. The Mineral Resources and Ore Reserves for all

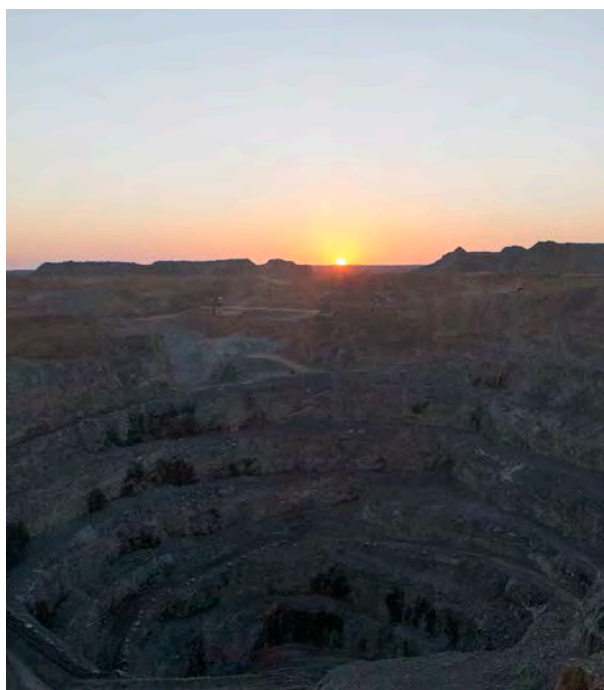
operating mines are reported at an effective date of 31 December 2019 after allowance for annual depletion by production. Estimates in the exploration prospect or feasibility study stage may be reported at earlier effective dates. Ore Reserves are reported at the point where the ore is delivered to the processing plant, following common international practice. The reported tonnage and grade represent the estimated metal or product content as mined and is reported before metallurgical recovery in the processing plant. However, the Ore Reserve table shows the mining and processing methods for each ore reserve, the forecast metallurgical recovery and the forecast recoverable metal or product. Ore Reserves are estimated based on long-term commodity price forecasts, capital expenditure and operating costs and economic cut-off grades from our operating mines and from prefeasibility and feasibility studies. If these assumptions change materially during the year, the Mineral Resource and the Ore Reserve are updated and reported. Ma'aden's Mineral Resources and Ore Reserve estimates are reported in the following tables on a 100 per cent basis



without adjustment for Ma'aden's ownership interest. The tables show Ma'aden's interest in each Mineral Resource and Ore Reserve. The following tables of Mineral Resources and Ore Reserves show the licences issued by the government authorities for each mine and project. Exploration licences confer the right to explore and evaluate only while mining licences give the right to mine and process the material within the licence. Mineral Resource and Ore Reserve estimates are reported within licence applications where Ma'aden has a reasonable expectation that the licence applications will be renewed or granted. However, the decision to grant or renew is at the discretion of the relevant government authority. The JORC Code requires Mineral Resources to have 'reasonable prospects for eventual economic extraction' and for Ore Reserves to be 'economically mineable' based on Ma'aden's assessment of future commodity prices, operating costs, capital costs and other 'Modifying Factors' including mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors over the forecast life of a project. Ma'aden's gold, copper and zinc production in 2019 was sold internationally at prevailing market prices. The gold price used to estimate our Ore Reserves in 2018 was US\$1100/troy ounce while Mineral Resources were estimated at US\$1300/troy ounce. In 2019, a gold price of \$1100/ troy ounce was used for Ore Reserves except for Ad Duwayhi at \$1200/ troy ounce. Mineral Resources were estimated using \$1300/troy ounce, except for Ad Duwayhi, Ar Rjum, Bir Tawilah and Jabal Ghadarah. The copper price used for the estimation of the Ore Reserves at Jabal Sayid mine was US\$ 2.75 per pound of copper. Ma'aden's phosphate, metallurgical bauxite and magnesite mining operations are components of vertically integrated production enterprises with the mines supplying downstream minerals processing facilities. These mines are not exposed directly to external market prices as all mine production is processed downstream into new products which are sold locally and internationally. For such mining operations, the Mineral Resources and Ore Reserves estimated using chemical and quality specifications required by the downstream plants. Kaolin and low grade industrial bauxite industrial minerals were sold to third parties in Saudi Arabia.

Uncertainty of Estimates

There is an inherent degree of uncertainty in the estimation of Mineral Resources and Ore Reserves when compared with the material when it is ultimately mined and processed. This uncertainty is reflected in the different Mineral Resource and Ore Reserve classifications, which are described in JORC Definitions in this report. Extrapolation of operational performance from small-scale laboratory tests or pilot plants to full-scale production may not prove to be exact in practice and this may affect the Ore Reserves. Changes in assumptions for overburden removal, process plant recoveries and other operational factors may influence the tonnage and grade of an ore reserve and adversely affect the economic viability of a project. Volumes, grades and recoveries of Ore Reserves which are mined and processed may not be the same as currently anticipated. Mineral Resources and Ore Reserves are not fixed and are sensitive to factors, which may change over time. These factors including commodity prices, capital costs, operating costs, metallurgical recoveries, marketing, infrastructure, legal, environmental, social and governmental factors. The results of new drilling, metallurgical testing, mine production and mine planning may require previous Mineral Resource and Ore Reserve estimates to be revised. Any resulting material reductions in Ore Reserves could have an adverse effect on the company's businesses, prospects, financial condition and operating results.





JORC Code Definitions

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition (JORC Code), is an internationally recognised professional code of practice which sets minimum standards for the public reporting of Exploration Results, Mineral Resources and Ore Reserves. The key definitions from the JORC Code, which are used in this report, are given below.

The JORC Code provides a system for the classification and reporting of Mineral Resources and Ore reserves according to the levels of confidence in geological knowledge and technical and economic considerations as described in the JORC Code 2012 edition.

The key principles governing the application of the JORC Code are transparency, materiality and competence. Transparency requires that the reader of a report is provided with sufficient information, in a clear and unambiguous form to understand the report. Materiality requires that it contains all the relevant information that investors would reasonably require in the reporting of Mineral Resources or Ore reserves. Competence requires that the public reporting of Mineral Resources and Ore reserves is prepared and certified by suitably qualified and experienced persons, called 'Competent Persons'. Mineral Resources and Ore Reserves reported according to the JORC Code must accurately reflect the information and supporting documentation prepared by a Competent Person who is subject to an enforceable professional code of ethics by a recognised professional organisation. A company issuing a public report prepared by a Competent Person is required to identify the person, to disclose the name of the person's employer and the person's current membership of a recognised professional organisation.

Mineral Resource

A Mineral Resource is a concentration or occurrence of material of economic interest in or on the Earth's crust in such form, grade/quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided in order of increasing geological confidence into Inferred, Indicated and Measured categories.

Inferred Mineral Resource

is that part of a An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated from limited geological evidence and sampling. Geological evidence is sufficient to imply, but not verify, geological and grade continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that most of an Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.

Indicated Mineral Resource

An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade/quality continuity between points where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve.

Measured Mineral Resource

A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and

final evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade/quality continuity between points where data and samples are gathered. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve.

Modifying Factors

Modifying Factors are considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

Ore Reserve

An Ore Reserve is the economically mineable part of a Measured or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level, as appropriate, which include the application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The key underlying assumptions and outcomes of the pre-feasibility study or feasibility study must be disclosed at the time of reporting of a new or materially changed Ore Reserve. Ore Reserves are subdivided in order of increasing confidence into Probable and Proved classifications.

Probable Ore Reserve

A Probable Ore Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the modifying factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve. A Probable Ore Reserve has a lower level of confidence than a Proved Ore Reserve but is of sufficient quality to serve as the basis for a decision on the development of the deposit.

Proved Ore Reserve

A Proved Ore Reserve is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors. A Proved Ore Reserve represents the highest confidence category of an Ore Reserve estimate. The style of mineralisation or other factors could mean that Proved Ore Reserves are not achievable in some deposits.

Competent Person

A Competent Person is a Minerals industry professional who is a member or fellow of the Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists, or of a Recognized Professional Organization, as included in a list available on the JORC and Australian Stock Exchange websites. These organisations have enforceable disciplinary processes including the powers to suspend or expel a member. A Competent Person must have a minimum of five years relevant experience in the style of mineralisation or type of deposit under consideration and in the activity which that person is undertaking.

Scoping Study

A Scoping Study is an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessment of realistically assumed Modifying Factors together with any other relevant operational factors that a necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can reasonably be justified.

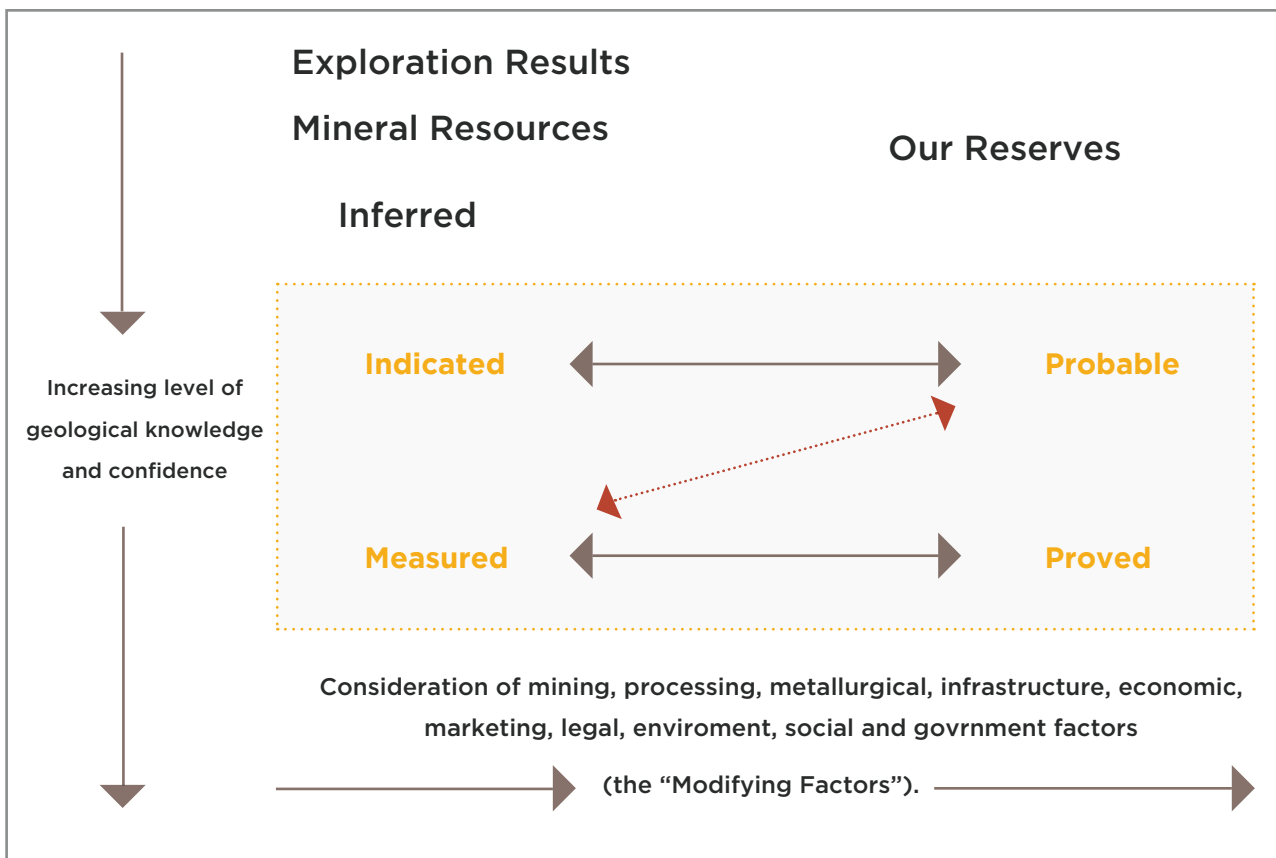
Pre-Feasibility Study

A Pre-Feasibility Study is a comprehensive study of a range of options for the technical and economic viability of a mineral project, which has advanced to a stage where a preferred method, the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors, which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.



A Feasibility Study

A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project, which includes appropriately detailed assessments of the applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis which are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonable serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.



General Relationship between Exploration results, Mineral Resources and Ore Reserves (from JORC Code 2012 edition)



ORE RESERVES AT 31 DECEMBER 2019

PHOSPHATE						31 December 2019 Ore Reserves														
						Cut off	Proved			Probable			Proved + Probable							
Project + Licence	Stage	% Ma'aden	Mine	Metallurgy	Ore Type	% P ₂ O ₆	Mt	% P ₂ O ₆	% MgO	Mt	% P ₂ O ₆	% MgO	Mt	% P ₂ O ₆	% MgO	Mt P ₂ O ₅				
AI Jalamid ML				SC+MF	UPZ		0	0	0	215.8	20.0	3.2	215.8	20.0	3.2	43.2				
				SC+MF	LPZ		0	0	0	29.0	17.6	6.7	29.0	17.6	6.7	5.1				
				SC+MF	Stock-pile		0	0	0	6.8	16.0		6.8	16.0	0.0	1.1				
				AI Jalamid ML	Mine	70%	OP	SC + MF	Total	>12%				252	19.6	3.5	251.6	19.6	3.5	49.4
				Project + Licence	Stage	% Ma'aden	Mine	Metallurgy	Ore Type	% P ₂ O ₆	Mt	% P ₂ O ₆	% SiO ₂	Mt	% P ₂ O ₆	% SiO ₂	Mt	% P ₂ O ₆	% SiO ₂	Mt P ₂ O ₅
				SC+MF	PH1		4.0	14.7	12.1	37.0	13.9	10.5	41.0	14.0	10.6	5.7				
				SC+MF	PH2		193.0	16.2	5.3	36.0	15.6	5.4	229.0	16.1	5.3	36.9				
				SC+MF	PH3		105.0	18.0	17.8	14.0	19.2	17.2	119.0	18.1	17.7	21.5				
				SC+MF	PH4		0	0	0	4.0	17.9	19.6	4.0	17.9	19.6	0.7				
				SC+MF	Stock-pile		1.0	17.4	4.7	0.5	16.8	9.1	1.5	17.2	6.1	0.3				
AI Khabra ML	Mine	60%	OP	SC+MF	Total	>12%	303	16.8	9.7	91	15.6	9.8	394	16.5	9.7	65.1				
Umm Wu'al B6 MLA	PFS	60%	OP	MF	Total	>15%				285	16.0	2.3	285	16.0	2.3	45.4				
Umm Wu'al B5-4 MLA	PFS	100%	OP	CF	Total	>15%	189	15.8	2.6	145	15.4	3.0	334	15.6	2.8	52.1				
Umm Wu'al B11-10 MLA	PFS	100%	OP	SC	Total	>15%	34	17.8	9.9	49	16.2	10.5	82	16.9	10.3	13.8				
TOTAL							526	16.5	-	821	17.0	-	1346	16.8	-	225.9				
INDUSTRIAL BAUXITE																				
Project + Licence	Stage	% Ma'aden	Mine	Metallurgy	Ore Type	% Al ₂ O ₃	Mt	% Al ₂ O ₃	% SiO ₂	Mt	% Al ₂ O ₃	% SiO ₂	Mt	% Al ₂ O ₃	% SiO ₂	Mt bauxite				
Az Zabirah ML	Mine	100%	OP	DS	TOTAL	not reported	3.5	53.2	14.9	3.5	53.9	14.6	7.0	53.6	14.7	7.0				
KAOLIN																				
Project + Licence	Stage	% Ma'aden	Mine	Metallurgy	Ore Type	% Al ₂ O ₃	Mt	% Al ₂ O ₃	% SiO ₂	Mt	% Al ₂ O ₃	% SiO ₂	Mt	% Al ₂ O ₃	% SiO ₂	Mt kaolin				
Az Zabirah ML	Mine	100%	OP	DS	TOTAL	not reported	0.8	32.7	40.3	1.6	35.1	40.5	2.4	34.3	40.5	2.4				
MAGNESITE																				
Project + Licence	Stage	% Ma'aden	Mine	Metallurgy	Ore Type	% MgO	Mt	Grade % MgO	% SiO ₂	Mt	% Al ₂ O ₃	% SiO ₂	Mt	% MgO	% SiO ₂	Mt MgO				
Al Ghazalah ML	Mine	100%	OP	DS	TOTAL	not reported	0.4	46.2	0.6	2.5	43.0	2.5	2.9	43.4	2.3	1.0				
METALLURGICAL BAUXITE																				
Project + Licence	Stage	% Ma'aden	Mine	Metallurgy	Ore Type	% T .Al ₂ O ₃	Mt	% T .Al ₂ O ₃	% SiO ₂	Mt	% T .Al ₂ O ₃	% SiO ₂	Mt	% T .Al ₂ O ₃	% SiO ₂	Mt bauxite				
Al Ba'itha ML	Mine	74.9%	OP	DS	TOTAL	>40	64	49.9	7.7	123	47.3	10.0	187.8	48.2	9.2	187.8				

Notes Rounding of numbers may result in minor apparent discrepancies in the sums and average grade

Abbreviations Al₂O₃ - aluminium oxide . CF - column flotation . conc. - flotation concentrate . DS - direct shipping ore . EL - exploration licence . FS - feasibility study . MF - mechanical flotation . MgO - magnesium oxide . ML - mining licence . MLA - mining licence application . Mt - million tonnes . P₂O₅ - phosphorus pentoxide . PFS - prefeasibility study . Reserve life - scheduled years for the extraction and processing of the Ore Reserve in the Life of Mine Plan . SC - dry screening . SiO₂ - silicon dioxide . TAA - total available alumina



2019 - 2018 Δ		2019 MINE PLAN			31 December 2018 Ore Reserves				31 December 2017 Ore Reserves			
Annual Change		Recoverable		Reserves Life	Proved + Probable				Proved + Probable			
Mt	Mt P ₂ O ₅	Recovery %	Mt P ₂ O ₅	years	Mt	% P ₂ O ₆	% MgO	Mt P ₂ O ₅	Mt	% P ₂ O ₅	% MgO	Mt P ₂ O ₅
-14.2	-3.1	69	29.8		230.0	20.1	3.2	46.2	240.0	19.5	3.1	46.8
-1.0	-0.2	69	3.5		30.0	17.6	6.7	5.3	30.0	17.4	6.6	5.2
1.8	0.1	69	0.8		5.0	19.1		1.0	5.0	18.5		0.9
-13.4	-3.1	69	34.1	24	265	19.8		52.5	275	19.3	-	52.9
Mt ore	Mt P ₂ O ₅	Recovery %	Mt P ₂ O ₅	years	Mt	% P ₂ O ₅	% SiO ₂	Mt P ₂ O ₅	Mt	% P ₂ O ₅	% SiO ₂	Mt P ₂ O ₅
-15	-2	68	3.9		56.0	13.5	11.2	7.6	56.0	13.52	11.18	7.6
28.0	2.7	68	25.1		201.0	17.0	6.7	34.2	206.0	17.0	6.7	35.0
-32.0	-3.6	68	14.6		151.0	16.6	20.6	25.1	152.0	16.6	20.4	25.2
4.0	0.7	68	0.5									
0	0	68	0.2		1.3	17.2	5.8	0.2	1.3	17.2	5.7	0.2
-14.9	-1.9	68	44.3	27	409	16.4	12.4	67.1	415	16.4	12.3	68.1
0	0	70	31.8	20	285	16.0	2.3	45.4	285	16.0	2.3	45.4
0	0	62	32.3	30	334	15.6	2.8	52.1	334	15.6	2.8	52.1
0	0	55	7.6	26	82	16.9	10.3	13.8	82	16.9	10.3	13.8
-28.3	-5.0	66	150		1375	16.8	-	230.9	1391	16.7	-	232.4
Mt	Mt bauxite	Recovery %	Mt bauxite	years	Mt	% Al ₂ O ₃	% SiO ₂	Mt bauxite	Mt	% Al ₂ O ₃	% SiO ₂	Mt bauxite
-0.3	-0.30	100	7.0	18	7.3	53.6	14.8	7.3	20.30	53.6	15.6	20.3
Mt	Mt kaolin	Recovery %	Mt Kaolin	years	Mt	% Al ₂ O ₃	% SiO ₂	Mt Kaolin	Mt ore	% Al ₂ O ₃	% SiO ₂	Mt kaolin
-0.1	-0.10	100	2.4	18	2.5	34.2	40.4	2.5	3.3	41.6	34.2	3.3
Mt	Mt MgO	Recovery %	Mt bauxite	years	Mt	% MgO	% SiO ₂	Mt MgO	Mt ore	% MgO	% SiO ₂	Mt MgO
-0.2	-0.06	100	0.8	37	3.1	43.5	2.2	1.1	3.2	43.9	2.14	1.1
Mt	Mt bauxite	Recovery %	Mt bauxite	years	Mt	% T .Al ₂ O ₃	% SiO ₂	Mt bauxite	Mt	% T .Al ₂ O ₃	% SiO ₂	Mt bauxite
-4.4	-4.4	100	192	39	192	48.2	9.2	192	197	48.2	9.2	197



ORE RESERVES AT 31 DECEMBER 2019

GOLD

31 December 2019 Ore Reserves

	Stage	& Ma'aden	Mine Type	Metallurgy Type	Type	Au g/t	Mt	g/t Au		Mt	g/t Au		Mt		
Ad Duwayhi ML	Mine	100%	OP	GR+CIL	Sulphide	>0.8	4.26	3.89		3.91	2.58		8.17		
				GR+CIL	Sulphide	>0.8				7.10	0.97		7.10		
					Total		4.26	3.89		11.01	1.55		15.27		
				HL	Sulphide	>0.35				45.69	0.72		45.69		
Bulghah ML	Mine	100%	OP	CIL	Sulphide	>1.35				6.73	1.90		6.73		
					Total					52.42	0.87		52.42		
				HL	Sulphide	>0.43				19.98	1.07		19.98		
				CIL	Sulphide	>0.47									
Sukhaybarat ML	Mine	100%	OP		Total					19.98	1.07		19.98		
				HL	Oxide	>0.39				0.43	1.04		0.43		
				HL	Transition	>0.50				1.44	1.21		1.44		
				HL	Sulphide	>0.45				3.48	2.02		3.48		
As Suq ML	Mine	100%	OP		Total					5.35	1.72		5.35		
				CIL	Oxide	>0.52	2.10	2.10		0.60	0.94		2.70		
				POX+CIL	Sulphide	>0.63	10.30	2.57		14.70	2.63		25.00		
					Total		12.40	2.49		15.30	2.57		27.70		
Mansourah ML	FS	100%	OP	CIL	Oxide	>0.53	1.80	1.82		3.10	1.50		4.90		
				POX+CIL	Sulphide	>0.64	1.30	2.45		11.00	2.11		12.30		
					Total		3.10	2.08		14.20	1.97		17.30		
Project and Licence	Stage	& Ma'aden	Mine	Metallurgy	Type	Au eq g/t	Mt	g/t Au	% Zn	Mt	g/t Au	% Zn	Mt		
						MF+CIL	Sulphide	>4.8			1.52	3.80	4.00	1.52	
						MF+CIL	Stockpile	>4.8			0.003	8.10	5.20	0.003	
AI Amar ML	Mine	100%	UG		Total					1.52	3.81	4.00	1.52		
Project and Licence	Stage	& Ma'aden	Mine	Metallurgy	Type	Au eq g/t	Mt	g/t Au	% Cu	Mt	g/t Au	% Cu	Mt		
Mahd Ad Dhahab ML	Mine	100%	UG	MF+CIP	Sulphide	>4.7				0.87	6.20	0.40	0.87		
				MF+CIP	Stockpile	>4.7				0.01	4.60	1.70	0.01		
					Total					0.88	6.18	0.41	0.88		
					Total		19.8	2.73	-	120.7	1.17	-	140.4		
COPPER															
Project and Licence	Project Stage	& Ma'aden	Mine	Metallurgy Type	Type	Cu %	Mt	% Cu	g/t Au	Mt	% Cu	g/t Au	Mt		
						MF	Lode 2	1.26 %	0.10	3.00	0.37	3.40	2.11	0.36	3.50
						MF	Lode 4	1.26 %	14.20	2.44	0.20	7.50	2.07	0.26	21.70
Jabal Sayid ML				MF	Stockpile	1.26 %									
					Total		14.30	2.44	0.20	10.90	2.08	0.29	25.20		

Notes

Rounding of numbers may result in minor apparent discrepancies in the sums and average grade

Al₂O₃ - aluminium oxide . Au - gold

Au eq - grade of gold mineralisation containing other metals of economic value expressed as the equivalent grade of gold

CF - column flotation . CIL - carbon in leach . CIP - carbon in pulp . Cu - copper . DS - direct shipping ore

EL - exploration licence . FS - feasibility study . GR - gravity separation . g/t - grammes per tonne . HL - heap leach

lb - pound . MF - mechanical flotation . ML - mining licence . MLA - mining licence application . Moz - million troy ounces



				2019 - 2018 Δ		2019 Mine Plan			31 December 2018 Ore Reserves				31 December 2017 Ore Reserves			
Proved + Probable				Annual Change		Recoverable		Reserve Life	Proved + Probable				Proved + Probable			
	g/t Au		Moz Au	Mt	Moz Au	Recovery %	Moz Au	years	Mt	g/t Au		Moz Au	Mt ore	g/t Au		Moz Au
	3.26		0.86			95	0.81		12.16	3.20		1.25				
	0.97		0.22			95	0.21		7.02	0.96		0.22				
	2.20		1.08	-3.91	-0.39	95	1.03	7	19.18	2.38		1.47	19.9	0.00		0.00
	0.72		1.05			49	0.51		48.00	0.73		1.13				
	1.90		0.41			85	0.35		8.82	1.61		0.46				
	0.87		1.46	-4.40	-0.12	59	0.86	14	56.82	0.87		1.58	54.7	0.78		1.37
	1.07		0.69			49	0.34		14.00	0.76		0.34				
							0.00		6.41	0.00		0.37				
	1.07		0.69	-0.43	-0.02	49	0.34	12	20.41	1.08		0.71	9.9	1.01		0.32
	1.04		0.01			65	0.01		0.58	0.96		0.02				
	1.21		0.06			51	0.03		1.59	1.16		0.06				
	2.02		0.23			57	0.13		3.53	1.88		0.21				
	1.72		0.30	-0.35	0.01	56	0.17	5	5.70	1.59		0.29	5.4	1.64		0.28
	1.84		0.16			84	0.13		2.70	1.84		0.16				
	2.61		2.09			88	1.84		25.00	2.61		2.09				
	2.53		2.26	0	0	88	1.98	12	27.70	2.53		2.26	27.7	2.53		2.26
	1.62		0.25			84	0.21		4.90	1.62		0.25				
	2.15		0.85			88	0.75		12.30	2.15		0.85				
	1.99		1.11	0	0	87	0.96	12	17.30	1.99		1.11	17.3	1.99		1.11
	g/t Au	% Zn	Moz Au	Mt	Moz Au	Recovery %	Moz Au	years	Mt	g/t Au	% Zn	Moz Au	Mt ore	g/t Au	% Zn	Moz Au
	3.80	4.00	0.19			90	0.17		0.23	6.04	0.40	0.05				
	8.10	5.20	0.00			90	0.00		0.25	5.05	0.75	0.04				
	3.81	4.00	0.19	0.51	0.02	90	0.17	6	1.01	2.67	0.53	0.16	2.22	6.92	4.15	0.49
	g/t Au	% Cu	Moz Au	Mt	Mt Au	Recovery %	Moz Au	years	Mt	g/t Au	% Zn	Moz Au	Mt ore	g/t Au	% Zn	Moz Au
									1.45			0.23				
									0.33			0.05				
						90	0.16		0.25	5.05	0.75	0.04				
	6.20	0.40	0.17			90	0.001		0.18			0.03				
	4.60	1.70	0.001			90	0.001		0.01	7.20	1.50	0.00				
	6.18	0.41	0.17	-1.35	-0.17	90	0.32	6	2.22	4.83	0.69	0.35	1.03	6.09	1.47	0.20
	1.39	-	6.26	-9.93	-0.68	93	5.82		148.40	1.34	-	6.38	134.94	1.35	-	6.04
	% Cu	g/t Au	Mt Cu	Mt	Mt Cu	Recovery %	Mt Cu	years	Mt	% Cu	g/t Au	Mt Cu	Mt ore	% Cu	g/t Au	Mt Cu
	2.14	0.36	0.075			94	0.07		4.18	2.29	0.35	0.10	4.52	2.31	0.35	0.104
	2.31	0.22	0.502			94	0.47		22.87	2.40	0.22	0.55	19.03	2.42	0.21	0.461
							0.00		0.06	0.00	0.00	0.00	0.13	2.38	0.21	0.003
	2.29	0.24	0.58	-1.91	-0.07	94	0.54	10	27.11	2.38	0.24	0.65	23.68	2.40	0.24	0.57

Mt - million tonnes . OP - open pit mine . P₂O₅ - phosphorus pentoxide . PFS - prefeasibility study . POX - pressure oxidation
 Reserve life - scheduled years for the extraction and processing of the Ore Reserve in the Life of Mine Plan
 % Ma'aden - Ma'aden share of project ownership
 SC - dry screening . SiO₂ - silicon dioxide . T.Al₂O₃ - total available alumina . UG - underground mine . Zn - zinc



MINERAL RESOURCES AT 31 DECEMBER 2019

PROJECTS 2019					2019 ORE RESERVE								
					Cut off	Measured			Indicated				
PHOSPHATE													
Project + Licence	Ma'aden Ownership	Mine Type	Metallurgy Type	Mineral Type	Cut off Grade	Reserve Mt	Grade % P ₂ O ₅	Grade % MgO	Reserve Mt	Grade % P ₂ O ₅	Grade % MgO	Reserve Mt	
			SC+MF	UPZ	>12% P ₂ O ₅	239.8	20.0	3.2	30.0	18.8	4.8	25.0	
			SC+MF	MM	>12% P ₂ O ₅	32.0	19.2	5.7					
			SC+MF	LPZ	>12% P ₂ O ₅	32.2	19.6	6.7					
			SC+MF	Stockpiles	>12% P ₂ O ₅				6.8	16.0	3.5	4.3	
Al Jalamid ML	70%	OP	All	Subtotal	>12	304.0	19.9	3.8	36.8	18.3	4.6	29.3	
			MF	UPZ								261.6	
			MF	UPZ								155.4	
Al Jalamid EL	100%	OP	All	Subtotal	>15							417.0	
						Resource Mt	Grade % P ₂ O ₅	Grade % SiO ₂	Resource Mt	Grade % P ₂ O ₅	Grade% SiO ₂	Resource Mt	
			SC+MF	PH1		3.8	14.9	12.7	40.1	14.2	10.3		
			SC+MF	PH2		195.1	16.1	5.5	44.6	15.1	6.4		
			SC+MF	PH3		108.5	17.8	17.6	17.6	18.9	16.4		
			SC+MF	PH4		0.2	15.8	16.3	5.0	18.0	18.6	6.8	
			SC+MF	Stockpile		1.5	17.5	4.7					
Al Khabra ML	60%	OP	All	Subtotal	>10	309.1	16.7	9.8	107.3	15.5	10.1	6.8	
Umm Wual B6 MLA	60%	OP	MF	Subtotal	>15				473.0	16.7	2.2		
Umm Wual B5-4 MLA	100%	OP	CF	Subtotal	>15	177.1	16.9	2.2	150.4	16.8	2.6	96.1	
Umm Wual B11-10 MLA	100%	OP	SC	Subtotal	>15	29.3	20.4	8.0	40.1	19.3	8.7	264.4	
Umm Wual EL	100%	OP	MF	Subtotal	>10							423.7	
			TOTAL		variable	819.5	18.1	-	807.6	16.8	-	1230.5	
INDUSTRIAL BAUXITE													
Project + Licence	Ma'aden Ownership	Mine Type	Metallurgy Type	Mineral Type	Cut off % Al ₂ O ₃	Resource Mt	Grade % Al ₂ O ₃	Grade % SiO ₂	Resource Mt	Grade % Al ₂ O ₃	Grade % SiO ₂	Resource Mt	
Az Zabirah ML	100%	OP	DS	Subtotal	<40% TAA, >46% Al ₂ O ₃	7.0	50.8	18.0	17.0	51.5	18.5	6.0	
Az Zabirah Central EL	100%	OP	DS	Subtotal	<40% TAA, >46% Al ₂ O ₃				22.0	51.1	17.5	21.0	
Az Zabirah North EL	100%	OP	DS	Subtotal	<40% TAA, >46% Al ₂ O ₃							22.0	
			TOTAL		<40% TAA, >46% Al ₂ O ₃	7.0	50.8		39.0	51.3	17.9	49.0	
KAOLIN													
Project + Licence	Ma'aden Ownership	Mine Type	Metallurgy Type	Mineral Type	Cut off % SiO ₂	Resource Mt	Grade % Al ₂ O ₃	Grade % SiO ₂	Resource Mt	Grade % Al ₂ O ₃	Grade % SiO ₂	Resource Mt	
Az Zabirah ML	100%	OP	DS	Subtotal	>38	7.0	36.1	41.0	16.0	36.8	41.5	8.0	
Az Zabirah Central EL	100%	OP	DS	Subtotal	>38				17.0	36.6	39.7	9.0	
Az Zabirah North EL	100%	OP	DS	Subtotal	>38							21.0	
			TOTAL		>38	7.0	36.1	41.0	33	36.7	40.6	38.0	
MAGNESITE													
Project + Licence	Ma'aden Ownership	Mine Type	Metallurgy Type	Mineral Type	Cut off % MgO	Resource Mt	Grade % MgO	Grade % CaO	Resource Mt	Grade % MgO	Grade % CaO	Resource Mt	
Al Ghazalah ML	100%	OP	DS	Subtotal	variable by product	0.55	46.2	1.7	3.4	43.1	4.2	2.0	
			TOTAL		variable by product	0.55	46.2	1.7	3.4	43.1	4.2	2.0	
METALLURGICAL BAUXITE													
Project + Licence	Ma'aden Owner-ship	Mine Type	Metallurgy Type	Mineral Type	Cu t off % TAA	Resource Mt	Grade % TAA	Grade % SiO ₂	Resource Mt	Grade % TAA	Grade % SiO ₂	Resource Mt	
Al Ba'itha ML	74.9%	OP	DS	Subtotal	>40	72.9	49.7	7.8	137.6	49.6	8.6	27.7	
Az Zabirah ML	100%	OP	DS	Subtotal	>40	12.0	58.0	10.9	17.0	57.3	12.2	11.0	
Az Zabirah Central EL	100%	OP	DS	Subtotal	>40				11.0	46.9	10.9	31.0	
Az Zabirah North EL	100%	OP	DS	Subtotal	>40							31.0	
			TOTAL		>40	84.9	50.9	8.3	165.6	50.2	9.1	100.7	

Notes Rounding of numbers may result in minor apparent summing errors.

Abbreviations Al₂O₃ - aluminium oxide . CF - column flotation . COG - cut off grade . DS - direct shipping
EL - exploration licence . Exploration - exploration prospect . FS - feasibility study . MF - mechanical flotation . MgO - magnesium oxide .
ML - mining licence . MLA - mining licence application . PFS - prefeasibility study . SC - dry screening



Inferred		Measured + Indicated + Inferred				2019 MINERAL RESOURCES 2019 VERSUS 2018			2018 MINERAL RESOURCE Measured + Indicated + Inferred				2017 MINERAL RESOURCE Measured + Indicated + Inferred			
	Grade % P ₂ O ₅	Grade % MgO	Reserve Mt	Grade % P ₂ O ₅	Grade % MgO	Contained Mt P ₂ O ₅	Resource Mt	Contained Mt P ₂ O ₅	Resource Mt	Grade % P ₂ O ₅	Grade % MgO	Contained Mt P ₂ O ₅	Resource Mt	Grade % P ₂ O ₅	Grade % MgO	Contained Mt P ₂ O ₅
	16.2	6.0	294.8	19.6	3.6	57.7	63.2-	10.5-	358.0	19.0	3.4	68.2	266.4	19.6	3.1	52.2
			32.0	19.2	5.7	6.1	1.0-	0.2-	33.0	19.2	5.7	6.3	33.7	19.1	5.7	6.4
			32.2	19.6	6.7	6.3	0.8-	0.2-	33.0	19.6	6.7	6.5	33.6	19.3	6.6	6.5
	17.6	0.7	11.1	16.6	2.4	1.8	3.1	0.3	8.0	18.9		1.5	4.6	18.9	-	0.9
	16.4	5.2	370.1	19.4	3.9	72.0	-61.9	-10.6	432.0	19.1	4.9	82.5	335.8	19.7	3.7	66.0
	16.3	3.4	261.6	16.3	3.4	42.6	0	0	261.6	16.3	3.4	42.6	261.6	16.3	3.4	42.6
	15.8	6.0	155.4	15.8	6.0	24.5	0	0	155.4	15.8	6.0	24.5	155.4	15.8	6.0	24.5
	16.1	4.4	417.0	16.1	4.4	67.1	0	0	417.0	16.1	4.4	67.1	417.0	16.1	4.4	67.1
	Grade % P ₂ O ₅	Grade % SiO ₂	Resource Mt	Grade % P ₂ O ₅	Grade % SiO ₂	Contained Mt P ₂ O ₅	Resource Mt	Contained Mt P ₂ O ₅	Resource Mt	Grade % P ₂ O ₅	Grade % SiO ₂	Contained Mt P ₂ O ₅	Resource Mt	Grade % P ₂ O ₅	Grade % SiO ₂	Contained Mt P ₂ O ₅
			43.9	14.2	10.5	6.2	-16.3	-2	60.2	13.4	11.4	8.1	60.3	13.4	11.5	8.1
			239.7	15.9	5.7	38.2	32.9	3.8	206.8	16.6	7.1	34.4	212.0	16.6	7.1	35.2
			126.1	18.0	17.4	22.7	-31.0	-3.1	157.1	16.4	20.6	25.7	158.2	16.4	20.5	25.9
	17.6	18.2	12.0	17.7		2.1	12.0	2.1								
			1.5	17.5	4.7	0.3	0.2	0.03	1.4	17.2	6.7	0.2	1.3	17.2	5.7	0.2
	17.6	18.2	411.2	16.4	9.8	69.5	-14.2	1.0	425.5	16.1	12.7	68.4	431.9	16.1	12.6	69.4
			473.0	16.7	2.2	79.0	0	0	473.0	16.7	2.2	79.0	473.0	16.7	2.2	79.0
	16.3	3.6	423.6	16.7	2.7	70.9	0	0	423.6	16.7	2.7	70.9	423.6	16.7	2.7	70.9
	18.4	9.3	333.8	18.7	9.1	62.4	0	0	333.8	18.7	9.1	62.4	333.8	18.7	9.1	62.4
	15.7	12.0	423.7	15.7	12.0	66.7	181	26	242.7	16.9	-	41.0	242.7	16.9	-	41.0
	16.5	-	2852	17.1	-	487.5	105	16	2,747.6	17.2	-	471.3	2,657.8	17.2	-	455.8
	Grade % Al ₂ O ₃	Grade % SiO ₂	Resource Mt	Grade % Al ₂ O ₃	Grade % SiO ₂	Contained Mt bauxite	Resource Mt	Contained Mt bauxite	Resource Mt	Grade % Al ₂ O ₃	Grade % SiO ₂	Contained Mt bauxite	Resource Mt	Grade % Al ₂ O ₃	Grade % SiO ₂	Contained Mt bauxite
	52.6	18.6	30.0	51.6	18.4	30	-0.3	-0.3	30.0	51.6	18.4	30.0	30.0	51.6	18.4	30
	50.4	16.1	43.0	50.8	16.8	43	0	14	29.0	49.7	16.1	29.9	113.0	49.7	15.3	113
	50.4	16.8	22.0	50.4	16.8	22	0	2	20.0	50.4	16.8	20.0				
	50.9	16.7	95.0	51.0	17.3	95.0	-0.3	15.7	79.0	50.5	17.1	79.0	143.0	50.1	15.9	143.0
	Grade % Al ₂ O ₃	Grade % SiO ₂	Resource Mt	Grade % Al ₂ O ₃	Grade % SiO ₂	Contained Mt kaolin	Resource Mt	Contained Mt kaolin	Resource Mt	Grade % Al ₂ O ₃	Grade % SiO ₂	Contained Mt kaolin	Resource Mt	Grade % Al ₂ O ₃	Grade % SiO ₂	Contained Mt kaolin
	38.4	41.0	31	37.1	41.3	31	-0.1	-0.1	31	37.1	41.3	31.0	31	37.1	41.3	31
	35.7	40.6	26	36.3	40.0	26	0	9	17	36.3	40.8	17.0	192	36.3	40.3	192
	35.1	40.4	21	35.1	40.4	21	0	0	21	35.1	40.4	21.0				
	37.0	40.6	78	36.8	40.6	78	-0.1	8.9	69.0	37.0	40.9	69.0	223.0	36.4	40.4	223.0
	Grade % MgO	Grade % CaO	Resource Mt	Grade % MgO	Grade % CaO	Contained Mt MgO	Resource Mt	Contained Mt MgO	Resource Mt	Grade % MgO	Grade % CaO	Contained Mt MgO	Resource Mt	Grade % MgO	Grade % CaO	Contained Mt MgO
	44.1	3.7	5.9	43.7	3.8	2.6	-0.154	-0.1	6.1	43.8	3.0	2.7	6.5	43.9	3.6	2.8
	44.1	3.7	69.4	3.7	3.8	28.4	0.0	-0.1	6.1	43.8	3.0	2.7	6.5	43.9	3.6	2.8
	Grade % TAA	Grade % SiO ₂	Resource Mt	Grade % TAA	Grade % SiO ₂	Contained Mt bauxite	Resource Mt	Contained Mt bauxite	Resource Mt	Grade % TAA	Grade % SiO ₂	Contained Mt bauxite	Resource Mt	Grade % TAA	Grade % SiO ₂	Contained Mt bauxite
	50.8	9.4	238.2	49.8	8.4	238.2	-4.5	-4.5	242.7	49.8	8.4	242.7	248.8	49.8	8.4	248.8
	57.0	12.3	40.0	57.4	11.8	40.0	-0.1	-0.1	40.0	57.4	11.8	40.0	40.0	47.2	11.8	40.0
	46.5	9.4	42.0	46.6	9.8	42.0	0	5	37.0	47.2	9.4	37.0	19.0	46.3	11.7	19.0
	44.9	9.3	31.0	44.9	9.3	31.0	0	0	31.0	44.9	9.3	31.0				
	34.5	6.8	351.2	45.9	8.2	351.2	-4.5	0.5	350.7	46.0	8.2	350.7	307.8	49.2	9.0	307.8



MINERAL RESOURCES AT 31 DECEMBER 2019

PROJECTS 2019					2019 ORE RESERVE									
					Cut off	Measured			Indicated			Inferred		
GOLD														
Project + Licence	Ma'aden Ownership	Mine Type	Metallurgy Type	Mineral Type	Cut of Au g/t	Resource Mt	Grade g/t Au		Resource Mt	Grade g/t Au		Resource Mt	Grade g/t Au	
			GR+CIL	All	>0.76	3.74	4.60		3.91	3.00		4.59	1.90	
Ad Duwayhi ML	100%	OP	GR+CIL	Stockpile	>0.76				11.60	1.10				
			GR+CIL	Subtotal		3.74	4.60		15.51	1.58		4.59	1.90	
			HL	Sulphide	>0.35 to <1.3				50.50	0.74		17.80	0.76	
Bulghah ML	100%	OP	CIL	Sulphide	>1.30				8.70	1.89		4.70	1.82	
				Carbonaceous	>0.58				0.40	1.05		0.07	1.00	
			HL + CIL	Subtotal				59.60	0.91		22.57	0.98		
			HL	Sulphide	>0.43			16.90	0.77		3.60	0.71		
Sukhaybarat ML	100%	OP	CIL	Sulphide				6.30	2.11		1.20	2.25		
			HL + CIL	Subtotal				22.55	1.10		4.80	1.10		
			HL	Oxide	>0.33			0.51	0.90		0.07	1.20		
			HL	Transitional	>0.42			1.48	1.20		0.04	1.70		
As Suq ML	100%	OP	HL	Sulphide	>0.38				6.43	1.60		0.32	1.60	
			HL	Stockpile	>0.42				0.46	0.60				
			HIL	Subtotal				8.88	1.44		0.43	1.55		
			CIL	Oxide	>0.40	2.59	1.90		2.46	0.60		0.66	0.60	
Mansourah ML	100%	OP	POX	Transitional	>?	0.84	2.00		1.03	0.40		0.95	0.20	
			POX	Sulphide	>0.55	10.43	2.60		21.25	2.40		3.50	2.80	
				Subtotal		13.86	2.43		24.74	2.14		5.10	2.04	
			CIL	Oxide	>0.40	2.51	1.60		0.58	1.10		1.42	0.80	
Massarah ML	100%	OP	POX	Transitional	>0.0?	0.93	1.30		5.19	0.70		4.32	0.10	
			POX	Sulphide	>0.55	0.97	2.50		25.68	1.80		1.83	1.20	
			POX + CIL	Subtotal		4.41	1.73		31.44	1.61		7.57	0.50	
			CIL	Oxide	0.35	1.2	1.65		0.2	1.14		0.1	2.34	
Ar Rjum (Waseemah) ML	100%	OP	CIL	Transitional	0.35	5.0	1.41		0.8	1.04		0.4	1.30	
			CIL	Sulphide	0.35	7.8	1.68		30.7	1.63		1.5	1.14	
			CIL	Subtotal	0.35	14.0	1.58		31.7	1.61		2.0	1.23	
			CIL	Oxide	0.35	1.0	1.24		0.3	1.86		0.0	0.78	
Ar Rjum (Um Naam) ML	100%	OP	CIL	Transitional	0.35	4.7	1.24		1.0	1.52		0.3	1.31	
			CIL	Sulphide	0.35	9.3	1.30		16.0	1.43		0.3	1.41	
			CIL	Subtotal	0.35	15.0	1.28		17.3	1.44		0.6	1.36	
			CIL	Oxide	0.35				0.00	1.12				
Ar Rjum (Ghazal)ML	100%	OP	CIL	Transitional	0.35				0.60	1.09		0.10	1.02	
			CIL	Sulphide	0.35				0.50	1.60		0.00	1.91	
			CIL	Subtotal	0.35				1.10	1.32		0.10	1.31	
			HL	Oxide	>0.22				6.00	0.72		2.00	0.81	
Bir Tawilah EL	100%	OP	HL	Transitional	0.0?									
			HL	Sulphide	>0.27				38.00	0.88		3.00	0.79	
			HIL	Subtotal					44.00	0.86		5.00	0.80	
			HIL	Subtotal	>0.22				1.90	1.20		3.50	0.90	
Jabal Ghadarah EL	100%	OP	HIL	Subtotal										
Project + Licence					Cut off AuEq g/t	Resource Mt	Grade g/t Au	Grade % Zn	Resource Mt	Grade g/t Au	Grade % Zn	Resource Mt	Grade g/t Au	Grade % Zn
Al Amar ML	100%	UG		North		0.28	10.3	6.9	0.05	4.70	6.20	0.00	0.00	0.00
				South		0.00	0.00	0.00	0.12	3.80	5.60	0.17	3.80	3.10
				Minor		0.05	6.30	4.10	0.31	5.30	5.90	0.11	7.30	5.20
				Stockwork					1.47	4.30	5.00	0.16	3.10	5.70
				Background								0.31	2.30	6.60
				Stockpile					0.003	8.10	5.20			
Project + Licence					Cut off AuEq g/t	Resource Mt	Grade g/t Au	Grade % Cu	Resource Mt	Grade g/t Au	Grade % Cu	Resource Mt	Grade g/t Au	Grade % Cu
Mahd Ad Dhahab ML			MF+CIP	Subtotal	3.6	1.01	8.30	0.70	0.79	7.40	0.60	0.53	10.00	0.70
TOTAL						52.34	1.76	-	261.47	1.38		57.53	1.17	-
COPPER														
Project + Licence	Ma'aden Ownership	Mine Type	Metallurgy Type	Mineral Type	Cut off Cu %	Resource Mt	Grade %Cu	Grade g/t Au	Resource Mt	Grade %Cu	Grade g/t Au	Resource Mt	Grade %Cu	Grade g/t Au
Jabal Sayid	50%	UG	MF	Lode 1					3.6	2.25	0.60	2.4	1.90	0.75
			MF	Lode 2		0.2	3.26	0.39	3.4	2.43	0.41	0.1	3.30	0.56
			MF	Lode 4		14.8	2.65	0.23	7.3	2.42	0.30	1.9	2.26	0.34
			MF	Lode 4 T3										
			TOTAL	>1.00		15.0	2.66	14.2	2.38	0.40	4.5	2.09	0.57	

Notes Rounding of numbers may result in minor apparent summing errors. Jabal Sayid Mineral Resources are reported exclusive of Ore Reserves. All other Mineral Resources are reported inclusive of Ore Reserves

Abbreviations Au - gold . AuEq - grade of gold mineralisation containing other metals of economic value expressed as the equivalent



Measured + Indicated + Inferred					2019 MINERAL RESOURCES 2019 VERSUS 2018		2018 MINERAL RESOURCE Measured + Indicated + Inferred				2017 MINERAL RESOURCE Measured + Indicated + Inferred			
	Resource Mt	Grade g/t Au		Contained Moz Au	Resource Mt	Contained Moz Au	Resource Mt	Grade g/t Au		Contained Moz Au	Resource Mt	Grade g/t Au		Contained Moz Au
	12.24	3.08		1.21	7.75-	0.39-	19.98	2.49		1.60	23.86	2.44		1.87
	11.60	1.10		0.41	4.60	0.19	7.00	0.96		0.22	6.80	0.99		0.22
	23.84	2.11		1.62	3.14-	0.20-	26.98	2.09		1.82	30.66	2.12		2.09
	68.30	0.75		1.64	-2.95	0.06-	71.25	0.74		1.70	83.1	0.65		1.74
	13.40	1.87		0.80	-0.13	0.00	13.53	1.86		0.81	14.2	2.23		1.02
	0.47	1.04		0.02	-0.40	-0.01	0.87	0.93		0.03				
	82.17	0.93		2.46	-3.48	-0.08	85.65	0.92		2.53	97.3	0.88		2.76
	20.50	0.76		0.50	0.00	0.00	20.50	0.76		0.50				
	7.50	2.13		0.51	0.00	0.00	7.50	2.13		0.51				
	27.35	1.10		0.97	-0.65	-0.05	28.00	1.13		1.01	29.8	0.99		0.95
	0.57	0.93		0.02	-0.17	-0.01	0.74	1.02		0.02				
	1.52	1.21		0.06	-0.42	-0.02	1.94	1.24		0.08				
	6.75	1.60		0.35	0.76	0.03	5.99	1.67		0.32				
					0	0								
	9.31	1.45		0.43	0.64	0.01	8.67	1.52		0.42	8.44	1.59		2.18
	5.7	1.19		0.22	1.10	0.02	4.60	1.37		0.20	4.6	1.37		
	2.8	0.81		0.07	2.82	0.07								
	35.2	2.50		2.83	-7.01	-0.18	42.20	2.22		3.01	42.2	2.22		
	43.7	2.22		3.12	3.09-	-0.09	46.80	2.14		3.21	46.8	2.14		1.34
	4.5	1.28		0.19	3.80-	0.16-	8.30	1.29		0.34	8.3	1.29		0.34
	10.4	0.51		0.17	10.43	0.17					0	0		0
	28.5	1.79		1.63	6.93-	0.26-	35.40	1.66		1.89	35.4	1.66		1.89
	43.4	1.43		1.99	-0.29	-0.24	43.70	1.59		2.23	43.7	1.59		2.23
	1.5	1.63		0.08	1.50	0.08								
	6.2	1.36		0.27	6.20	0.27								
	40.0	1.62		2.09	40.00	2.09								
	47.7	1.59		2.43	3.98	0.25	43.72	1.55		2.18	43.7	1.55		2.18
	1.3	1.38		0.06	1.30	0.06								
	6.0	1.29		0.25	6.00	0.25								
	25.6	1.38		1.14	25.60	1.14								
	32.9	1.37		1.45	5.24	0.11	27.66	1.50		1.34	27.7	1.50		1.34
	0.00	#DIV/0!		0	0	0								
	0.70	1.08		0.02	0.70	0.02								
	0.50	1.60		0.03	0.50	0.03								
	1.20	1.32		0.05	0.38	0.01	0.82	1.49		0.04	0.8	1.49		0.04
	8.00	0.74		0.19	0	0	8.00	0.75		0.19	10.0	0.7		0.22
					0	0					0	0		0
	41.00	0.87		1.15	8	0.20	33.00	0.89		0.95	37.0	0.9		1.06
	49.00	0.85		1.34	8	0.20	41.00	0.87		1.14	47.0	0.7		1.03
	5.40	1.01		0.17	0	0.1-	5.40	1.01		0.17	7.3	1.00		0.23
	Resource Mt	Grade g/t Au	Grade % Zn	Contained Moz Au	Resource Mt	Contained Moz Au	Resource Mt	Grade g/t Au	Grade % Zn	Contained Moz Au	Resource Mt	Grade g/t Au	Grade % Zn	Contained Moz Au
	0.33	9.41	6.79	0.10	0.10	-0.23	0.23	6.04	0.40	0.05				
	0.28	3.80	4.13	0.03	-0.05	-0.17	0.33	4.54	0.50	0.05				
	0.47	5.88	5.55	0.09	0.22	-0.14	0.25	5.05	0.75	0.04				
	1.63	4.18	5.07	0.22	1.45	-0.02	0.18	4.35	1.51	0.03				
	0.31	2.30	6.60	0.02	0.31	0.31								
	0.00	8.10	5.20	0.00	-0.01	-0.01	0.01	7.20	1.50	0.002				
	3.03	4.79	5.40	0.47	2.02	-0.26	1.01	5.00	0.55	0.16	5.2	4.20	4.1	0.70
	Resource Mt	Grade g/t Au	Grade % Cu	Contained Moz Au	Resource Mt	Contained Moz Au	Resource Mt	Grade g/t Au	Grade % Cu	Contained Moz Au	Resource Mt	Grade g/t Au	Grade % Cu	Contained Moz Au
	2.33	8.38	0.67	0.63	-0.25	-2.05	2.58	8.20	0.55	0.68				0.68
	371.35	1.50	-	17.13	9.35	-2.47	362.0	1.5		17.0				17.9
	Resource Mt	Grade %Cu	Grade g/t Au	Contained Mt Cu	Resource Mt	Contained Mt Cu	Resource Mt	Grade %Cu	Grade g/t Au	Contained Mt Cu	Resource Mt	Grade % Cu	Grade g/t Au	Contained Mt Cu
	6.0	2.11	0.66	0.13	2.96	0.06	3.07	2.22	0.59	0.07	3.50	2.01	0.99	0.07
	3.7	2.50	0.42	0.091	3.49	0.09	0.18	1.30	0.25	0.002	0.14	1.25	0.03	0.00
	24.0	2.55	0.26	0.61	21.78	0.58	2.19	1.38	0.10	0.03	3.98	2.20	0.41	0.09
					-0.73	-0.02	0.73	2.40	0.95	0.02	1.34	2.18	0.49	0.03
	33.7	2.46	0.35	0.83	27.50	0.71	6.17	1.92	0.45	0.12	8.96	2.11	0.45	0.19

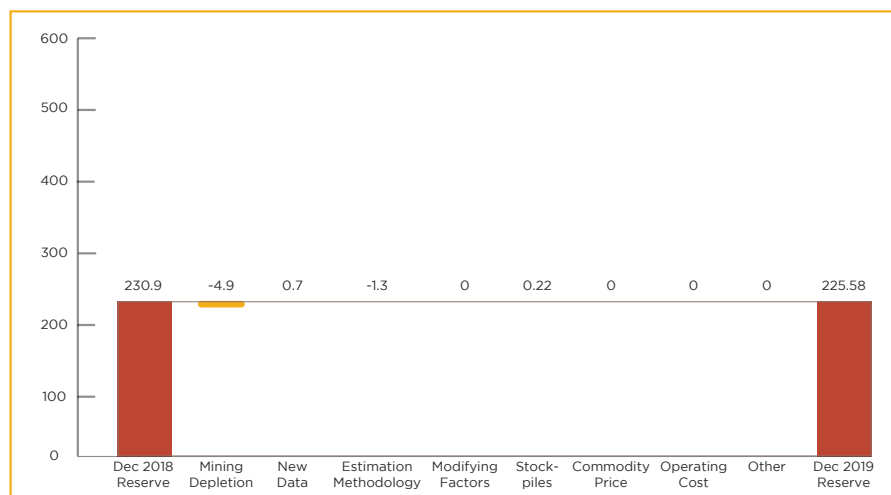
grade of gold . CIL - carbon in leach . CIP - carbon in pulp . COG - cut-off grade . Cu - copper . EL - exploration licence . Expl - exploration prospect . FS - feasibility study . GR - gravity separation . g/t - grammes per tonne . HL - heap leach . MF - mechanical flotation . Moz - million troy ounces . Mt - million tonnes . OP - open pit mine . PFS - prefeasibility study . POX - pressure oxidation . UG - underground mine . Zn - zinc



ORE RESERVE CHANGES FROM DECEMBER 2018 TO DECEMBER 2019

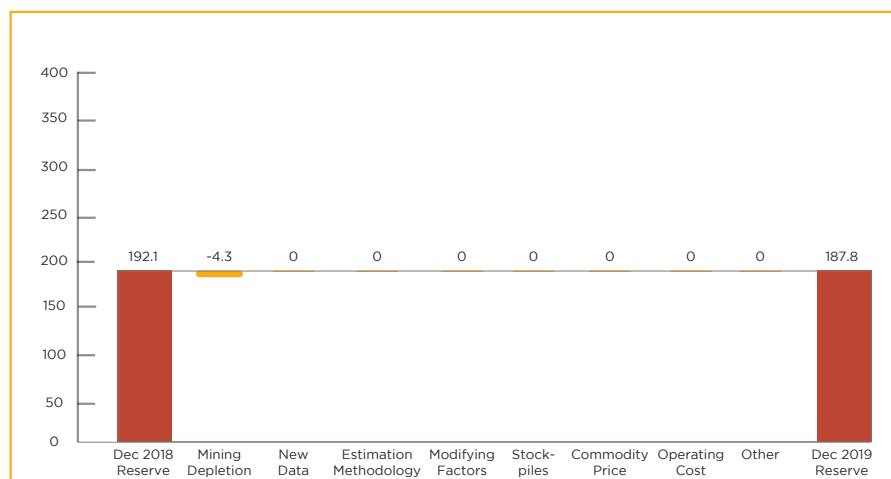
PHOSPHATE

Contained P₂O₅ million tonnes



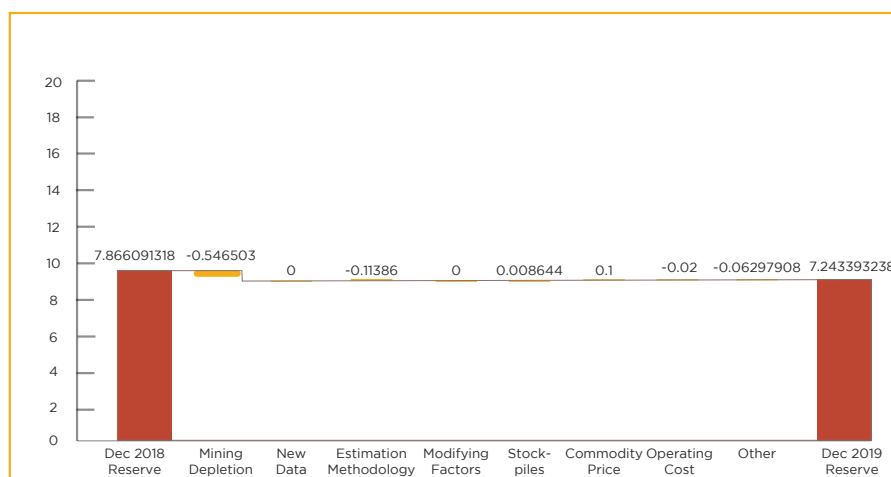
METALLURGICAL BAUXITE

Contained bauxite million tonnes



GOLD

Contained gold million troy ounces



Note

Rounding of numbers may result in minor apparent summing errors

Definitions 2018 Opening balance

Ore Reserve reported at 31 December 2018

Mining Depletion

Changes due to annual mine production estimated from mine survey and production reconciliation

New Data

Changes due to additional resource drilling or other new data

Estimation Methodology

Methodology - Changes due to different Ore Reserve or Mineral Resource estimation methodology

Modifying Factors

- Changes from Ore Reserve Modifying Factors i.e. mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors;

- Changes from upgrading or downgrading Mineral Resource to Ore Reserve, Ore Reserve to Mineral Resource or Mineral Resource to unclassified mineralised inventory
- Changes from sterilisation of Ore Reserves or Mineral Resources by infrastructure or other causes

Stockpiles

Changes due to mine stockpile adjustments or reclassification

Revenue Factors

Revenue factors including commodity prices, exchange rates, treatment and transport charges, taxes and royalties

Cost Factors

Changes due to operating and capital costs which affect economic cut-off grade and mine design

Other

Changes due to other causes

2019 Closing balance

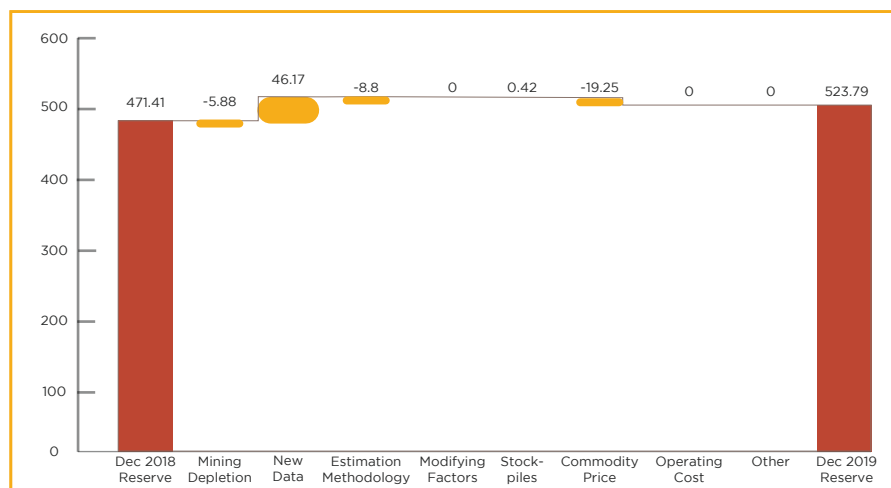
Ore Reserve or Mineral Resource reported at 31 December 2019



MINERAL RESOURCE CHANGES FROM DECEMBER 2018 TO DECEMBER 2019

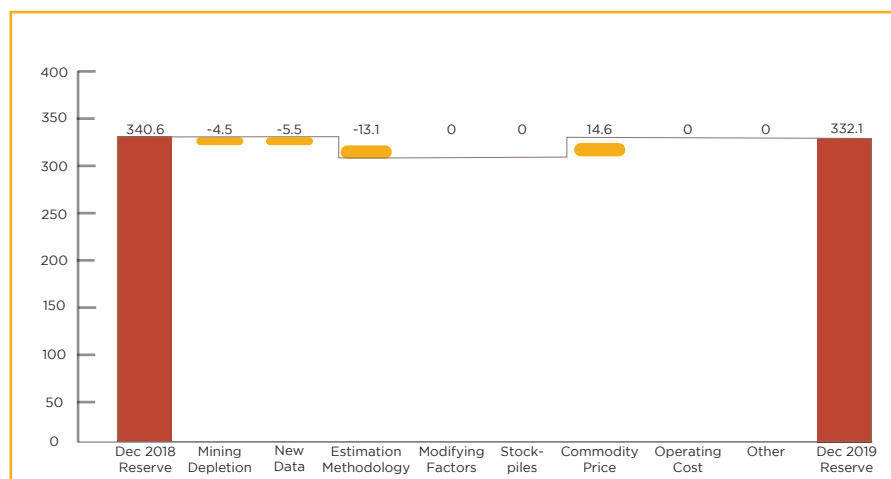
PHOSPHATE

Contained P₂O₅
million tonnes



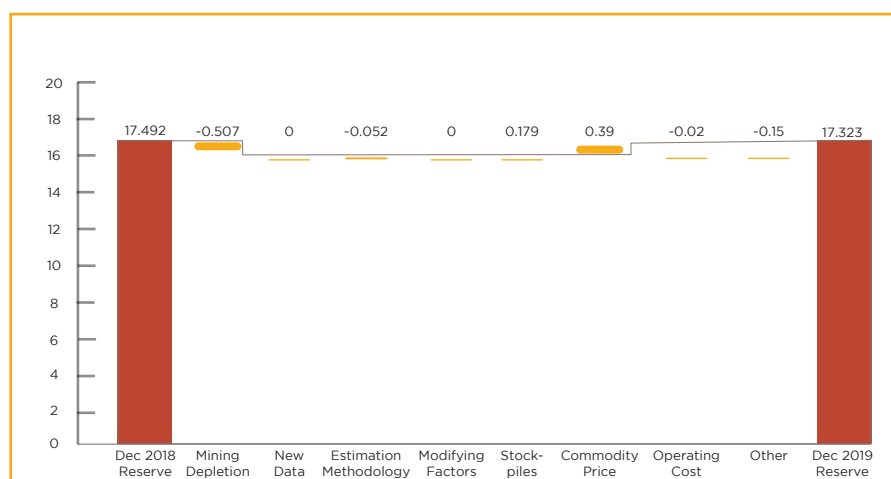
METALLURGICAL BAUXITE

Contained bauxite million
tonnes



GOLD

Contained gold
million troy ounces



Note

Rounding of numbers may result in minor apparent summing errors

Definitions 2018 Opening balance

Ore Reserve reported at 31 December 2018

Mining Depletion

Changes due to annual mine production estimated from mine survey and production reconciliation

New Data

Changes due to additional resource drilling or other new data

Estimation Methodology

Methodology - Changes due to different Ore Reserve or Mineral Resource estimation methodology

Modifying Factors

- Changes from Ore Reserve Modifying Factors i.e. mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors;
- Changes from upgrading or downgrading Mineral Resource to Ore Reserve, Ore Reserve to Mineral Resource or Mineral Resource to unclassified mineralised inventory
- Changes from sterilisation of Ore Reserves or Mineral Resources by infrastructure or other causes

Stockpiles

Changes due to mine stockpile adjustments or reclassification

Revenue Factors

Revenue factors including commodity prices, exchange rates, treatment and transport charges, taxes and royalties

Cost Factors

Changes due to operating and capital costs which affect economic cut-off grade and mine design

Other

Changes due to other causes

2019 Closing balance

Ore Reserve or Mineral Resource reported at 31 December 2019



COMPETENT PERSONS FOR ORE RESERVES AT 31 DECEMBER 2019

COMMODITY					
Project + Licence	Estimate Date	Competent Person Name	Recognised Professional Organisation Membership	RPO membership Number	Competent Person's Employer
PHOSPHATE					
Al Jalamid ML	01 Dec 2019	Filip Orezechowski	MIMMM CEng	459557	SRK
Al Khabra ML	31 Dec 2019	Dr. Rossen Halatchev	MAusIMM CP(Min)	208219	AusGEMCO
Umm Wual B6 MLA	01 May 2014	Helge Ziehe	MAusIMM	48891	Sofreco
Umm Wual UMW 5 & 4 MLA	05 Oct 2017	Thierry Rousseau	EFG (EurGeol)	1031	Technip
Umm Wual UMW & 10 11 MLA	31 Dec 2016	John Knight	FGS (CGeol), EFG (EurGeol), MIMMM	15040, 336, 29722	Sofreco
KAOLIN					
Az Zabirah ML	31 Dec 2019	Filip Orzechowski	MIMMM CEng	459557	SRK
INDUSTRIAL BAUXITE					
Az Zabirah mine	31 Dec 2019	Filip Orzechowski	MIMMM CEng	459557	SRK
MAGNESITE					
Al Ghazalah mine	31 Dec 2019	Filip Orzechowski	MIMMM CEng	459557	SRK
METALLURGICAL BAUXITE					
Al Baitha ML	31 Dec 2019	Scott McEwing	FAusIMM (CP Min)	111809	SRK
GOLD					
Ad Duwayhi ML	31 Dec 2019	John Miles	MIMMM CEng	50277	SRK
Al Amar ML	31 Dec 2019	John Miles	MIMMM CEng	50277	SRK
As Suq ML	31 Dec 2019	John Miles	MIMMM CEng	50277	SRK
Bulghah ML	31 Dec 2019	Alfri Ibnu Hamdani	SME	4266012	Maaden
Sukhaybarat ML	31 Dec 2019	Alfri Ibnu Hamdani	SME	4266012	Maaden
Mahd Ad Dhahab ML	31 Dec 2019	John Miles	MIMMM CEng	50277	SRK
Mansourah ML	31 Dec 2019	John Miles	MIMMM CEng	50277	SRK
Massarah ML	31 Dec 2019	John Miles	MIMMM CEng	50277	SRK
COPPER					
Jabal Sayid ML	31 Dec 2019	Brendan Cope	FAusIMM	112629	Ma'aden Barrick Copper Company

Abbreviations

CP Min - Chartered Professional (Mining) of the Australasian Institute of Mining and Metallurgy

FAusIMM - Fellow of the Australasian Institute of Mining and Metallurgy

MAusIMM - Member of the Australasian Institute of Mining and Metallurgy

MIMMM - Member of the Institute of Materials, Mining and Metallurgy

ML - mining licence

SME - Registered Member of the Society for Mining, Metallurgy and Exploration



COMPETENT PERSONS FOR MINERAL RESOURCES AT 31 DECEMBER 2019

COMMODITY					
Project + Licence	Estimate Date	Competent Person Name	Recognised Professional Organisation Membership	RPO membership Number	Competent Person's Employer
PHOSPHATE					
Al Jalamid ML	31 Dec 2019	Dr. Tim Lucks	MAusIMM CP(Geo)	304968	SRK
Al Khabra ML	31 Dec 2019	Dr. Deliana Gabeva	MAusIMM	321566	AusGEMCO
Umm Wual B6 MLA	30 Jun 2014	Daniel Mariton	EFG, EurGeol	2013-2494, 1159	Sofreco
Umm Wual UMW 5 & 4 MLA	31 Dec 2015	Daniel Mariton	EFG, EurGeol	2013-2494, 1159	Sofreco
Umm Wual UMW & 10 11 MLA	31 Dec 2015	Daniel Mariton	EFG, EurGeol	2013-2494, 1159	Sofreco
Umm Wu'al EL	10 Jun 2018	Daniel Mariton	EFG, EurGeol	2013-2494, 1159	Sofreco
KAOLIN					
Az Zabirah ML	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK
Az Zabirah Central EL	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK
Az Zabirah North EL	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK
INDUSTRIAL BAUXITE					
Az Zabirah ML	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK
Az Zabirah Central EL	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK
Az Zabirah North EL	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK
MAGNESITE					
Al Ghazalah mine	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK
METALLURGICAL BAUXITE					
Al Baitha ML	31 Dec 2019	Rodney Brown	MAusIMM	110384	SRK
Az Zabirah ML	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK
Az Zabirah Central EL	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK
Az Zabirah North EL	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK
GOLD					
Ad Duwayhi ML	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK
Al Amar ML	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK
Al Amar ML	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK
Bulghah ML	31 Dec 2019	Mauro Bassotti	MAusIMM CP(Geo)	225925	Maaden
Sukhaybarat ML	31 Dec 2019	Mauro Bassotti	MAusIMM CP(Geo)	225925	Maaden
Mahd Ad Dhahab ML	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK
Mansourah ML	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK
Massarah ML	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK
Ar Rjum (Waseemah) ML	31 Jan 2019	Paul Payne	FAusIMM	105622	RPM Global
Ar Rjum (Umm Naam) ML	31 Jan 2019	Paul Payne	FAusIMM	105622	RPM Global
Ar Rjum (Ghazal) ML	31 Jan 2019	Paul Payne	FAusIMM	105622	RPM Global
Bir Tawilah EL	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK
Jabal Ghadarah EL	31 Dec 2019	Mark Campodonic	MAusIMM CP(Geo)	225925	SRK
COPPER					
Jabal Sayid ML	31 Dec 2019	Brian Fitzpatrick	MAusIMM CP(Geo)	203397	Cube Consulting

Abbreviations

CGeol - Chartered Geologist of the Geological Society of London

CP Geo - Chartered Professional (Geology) Australasian Institute of Mining and Metallurgy

EFG - European Federation of Geologists

EL - exploration licence

EurGeol - European Geologist member of the European Federation of Geologists

FGS - Fellow of the Geological Society of London

CEng - Chartered Engineer of the Institute of Materials, Mining and Metallurgy #NAME



Ma'aden's Growing Resource and Reserve Base

In 2019, Ma'aden continued to make significant investments in mineral exploration and advanced project development studies in Saudi Arabia



The JORC Code

The ore reserves and mineral resources presented in this Annual Report are estimated and stated in accordance with the JORC Code (2012 edition). The JORC Code is an internationally recognised code of reporting practice prescribing the minimum standards for public reporting of mineral resources and ore reserves. JORC is the acronym of the Australasian Joint Ore Reserves Committee. The JORC Code is the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition).

The only exception to **Ma'aden's** reporting according to the JORC Code is Jabal Sayid mineral resource and ore reserve. The Jabal Sayid estimates were done by qualified persons in accordance with the CIM Definition Standards on Mineral Resources and Reserves, the Canadian reporting standard. This was for reasons of consistency with public reporting by our joint venture partner, which is responsible for the estimation of the Jabal Sayid resources and reserves and reports in the Canadian jurisdiction. The CIM definition standards are closely aligned with the JORC Code.



Competent Persons

An essential requirement of the JORC Code is that all mineral resource and ore reserve estimates are done by or under the supervision of competent persons who must be members of a recognised professional organization and who have sufficient experience relevant to the style of mineralisation, type of mineral deposit and competence in the specific activity which the person is undertaking. The mineral resource and ore reserve reports are published only with the prior written consent of the competent persons.

The JORC Code requires disclosure of any potential conflict of interest by a competent person to ensure transparency of reporting. This is disclosed in the competent persons tables in this annual report.

In 2018, all of **Ma'aden's** mineral resources and ore reserves were estimated by independent competent persons, none of whom was a **Ma'aden** employee. **Ma'aden** also conducted internal peer review of the mineral resource and ore reserve estimates prepared by the competent persons.

Uncertainty of estimates

There is a degree of uncertainty inherent in the estimation and classification of mineral resources and ore reserves when compared with the actual mined tons and grades from production. The tons and grades of mineral resources and ore reserves must be considered as estimates only until those resources and reserves are mined and processed. Mineral resources and ore reserves are not fixed over the medium to long term and vary according to changing metal prices, capital costs, operating costs and other modifying factors, which include mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

Extrapolation of operational performance from small-scale laboratory tests or pilot plants to full-scale production may not prove to be exact in practice and this may affect the ore reserves. Changes in assumptions for overburden removal, process plant recoveries and other operational factors may influence the tonnage and grade of an ore reserve and adversely affect the economic viability of a project. Volumes, grades and recoveries of ore reserves actually mined and processed may not be the same as currently anticipated.

The results of further drilling, metallurgical testing, mine production and mine planning may require previous estimates to be revised. Any material reductions in ore reserves could have adverse effects on the company's businesses, prospects, financial condition and operating results.

Ore reserves are estimated based on long-term commodity price forecasts, capital expenditure, operating costs and economic cut-off grades from our operating mines and from pre-feasibility and feasibility studies. If these assumptions change materially during the year, the resources and reserves are updated accordingly.

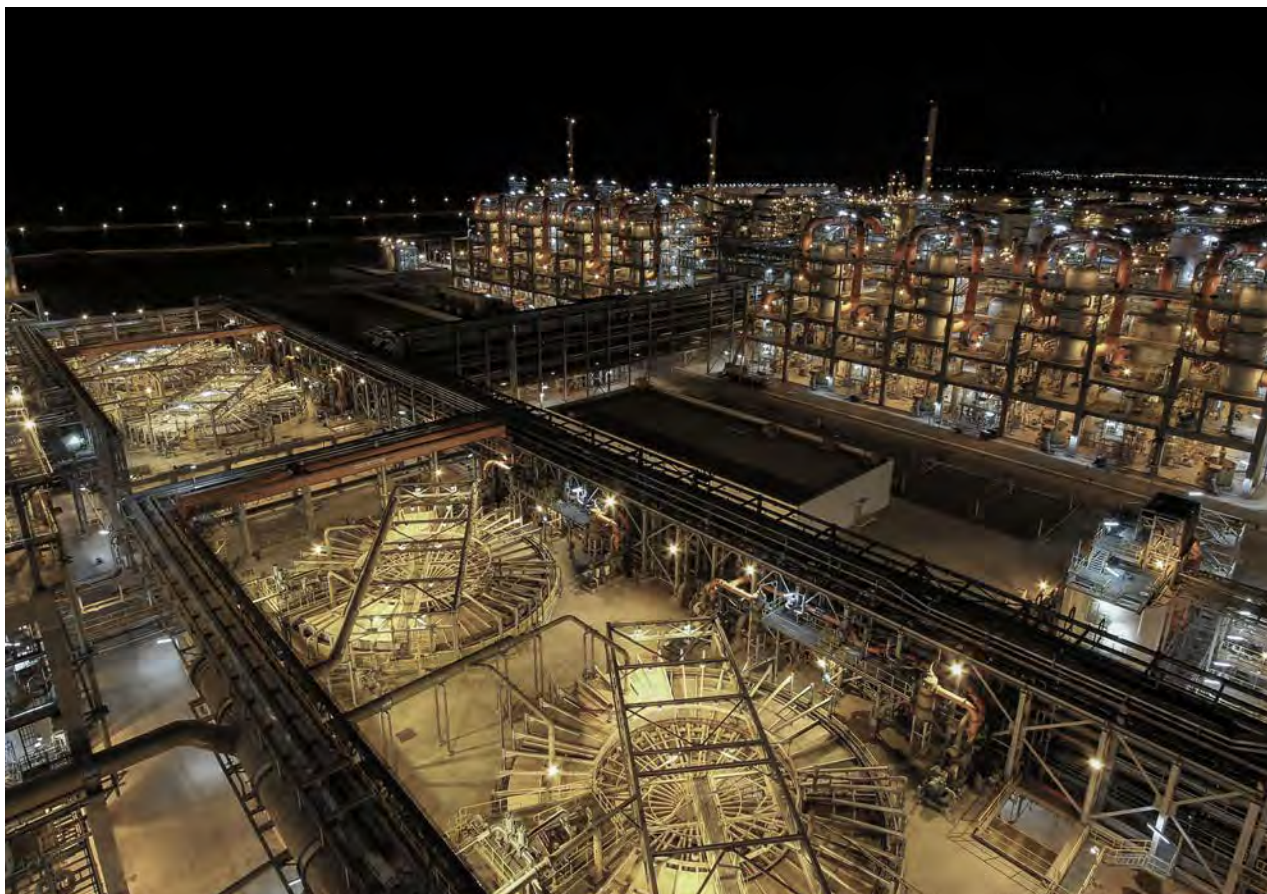
Mining licences confer the right to mine while exploration licences confer the right to explore and evaluate, but not to develop and conduct mining operations. Mineral resource and ore reserve estimates on exploration and mining licences, which are awaiting grant or renewal, are reported where **Ma'aden** has a reasonable expectation that these expired licences will be renewed or new licences granted. However, the decision to grant or renew is at the discretion of the relevant government authority.

Reporting Assumptions

Ore reserves and mineral resources were reported on 31 December 2018 for operating mines. Mineral resources and ore reserves for projects at the exploration prospect or feasibility study project stage may be reported at earlier effective dates.

Ma'aden's mineral resources are stated inclusive of ore reserves with the exception of the Jabal Sayid mine, where the mineral resource is reported exclusive of ore reserve in order to be consistent with the public reporting of our joint venture partner.

Ma'aden's mineral resources and ore reserves are reported on a 100 percent basis without adjustment for **Ma'aden's** ownership interest. **Ma'aden's** ownership interest in all projects is stated in the tables for each mineral resource and ore reserve. Ore reserves are reported at the point where the ore is delivered to the processing plant, following common international practice. The reported tonnage and grade represent the estimated metal or product content as mined and are reported before metallurgical recovery in the processing plant.



Waad Al Shamal



However, the ore reserve table shows the mining and processing methods for each ore reserve, the forecast metallurgical recovery and the forecast recoverable metal or product.

The reasonable prospects for eventual economic extraction of mineral resources and the economic mineability of ore reserves are based on **Ma'aden's** assessment of future commodity prices, operating costs, capital costs and other modifying factors including mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors over the forecast life of a project.

Our strategic direction of sustained high levels of mineral exploration in Saudi Arabia over several years has delivered significant value for our shareholders through the discovery of large

mineral resources in phosphate, metallurgical bauxite, gold, copper, magnesite, kaolin and industrial grade bauxite needed to develop into new mines or extend the life or expand the scale of production of our existing mines.

These discoveries were evaluated to assess the technical and economic feasibility of developing mining and processing operations to convert mineral resources into ore reserves.

International Public Reporting Standards

Government regulations and stock exchanges in most countries require mandatory compliance by companies with recognised standards for the public reporting of mineral resources and ore reserves to protect the interests of shareholders. International public reporting standards for



mineral resources and ore reserves are now closely aligned in most jurisdictions.

The Committee for Mineral Reserves International Reporting Standards (CRIRSCO) promotes the uniformity of international reporting standards. CRIRSCO's latest version of the International Reporting Template for Exploration Results, Mineral Resources and Ore Reserves in 2012 is closely modelled on leading international reporting standards, including the JORC Code (Australasia), CIM Definition Standards (Canada), SAMREC Code (South Africa), SME Guide (USA), PERC Reporting Standard (Europe) and the Certification Code (Chile).

Ma'aden's gold, copper and zinc concentrates are sold on the international market at prevailing prices.

The gold price used to estimate our ore reserves in 2018 was USD 1,100/troy ounce while mineral resources were estimated at USD 1,300/troy ounce. The gold price (NY) on 31 December 2018 was USD 1,278 per troy ounce.

The copper price used for the estimation of the ore reserves at Jabal Sayid mine was USD 2.75 per pound of copper. The international copper price (COMEX) at 31 December 2018 was USD 2.63 per pound.

Ma'aden's mining operations in phosphate, metallurgical bauxite and magnesite are all part of vertically integrated production enterprises with the mines supplying downstream mineral processing facilities.

These mines are indirectly exposed to external market prices as all mine production is processed downstream into new products which are sold locally and internationally.

For such mining operations, the mineral resources and ore reserves are estimated on the specifications of a product required to meet the chemical specifications required by downstream plants.

Report Format

The resource and reserves in this annual report are stated according to mineral commodity, mines, advanced projects and exploration prospects as follows:

- Ore reserves tabulation showing the 31 December 2018, December 31, 2017 and December 31, 2016 ore reserves by mineral commodity, mine and advanced project
- Mineral resources tabulation showing the December 31, 2018, December 31, 2017 and December 31, 2016 mineral resources reported by mineral commodity, mine, advanced projects undergoing pre-feasibility and feasibility studies and exploration prospects
- Annual change graphs for ore reserves and mineral resources of **Ma'aden's** three main commodities – phosphate, metallurgical bauxite and gold – quantifying and classifying the reasons for changes from December 31, 2017 to 31 December 2018
- Competent persons for the 2018 ore reserves and mineral resources tabulated by name, employer, membership grade of a recognised professional organization and membership number
- Glossary of technical terms used for resources and reserves in this annual report.



JORC Code Definitions

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition (JORC Code), is an internationally recognised professional code of practice that sets minimum standards for the public reporting of exploration results, mineral resources and ore reserves. Below are the definitions of JORC Code terms.



The JORC Code provides a system for the classification and reporting of mineral resources and ore reserves according to the levels of confidence in geological knowledge and technical and economic considerations. The key principles governing the application of the JORC Code are transparency, materiality and competence.

Transparency requires that the reader of a report is provided with sufficient information, in a clear and unambiguous form, to understand the report. Materiality requires that it contains all the relevant information that investors would reasonably require in the reporting of mineral resources or ore reserves. Competence requires that the public reporting of mineral resources and ore reserves is prepared and certified by suitably qualified and experienced persons, called “competent persons”.

Mineral resources and ore reserves reported according to the JORC Code must accurately reflect the information and supporting documentation prepared by a competent person who is subject to an enforceable professional code of ethics by a recognised professional organization. A company issuing a public report prepared by a competent person is also required to identify the person, reveal if the person is a full-time employee, and if not, disclose the name of the person’s employer.

A Mineral Resource is a concentration or occurrence of material of economic interest in or on the Earth’s crust in such form, grade/quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral resources are subdivided in order of increasing geological confidence into Inferred, Indicated and Measured categories.

An Inferred Mineral Resource is that part of a mineral resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An inferred

resource has a lower level of confidence than that applying to an Indicated mineral resource and must not be converted to an ore reserve. It is reasonably expected that the majority of Inferred mineral resources could be upgraded to Indicated mineral resources with continued exploration.

An Indicated Mineral Resource is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade/quality continuity between points where data and samples are gathered. An indicated mineral resource has a lower level of confidence than that applying to a measured mineral resource and may only be converted to a probable ore reserve.

A Measured Mineral Resource is that part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade/quality continuity between points where data and samples are gathered. A measured mineral resource has a higher level of confidence than that applying to either an indicated mineral resource or an inferred mineral resource. It may be converted to a proved ore reserve or under certain circumstances to a probable ore reserve. Modifying Factors are considerations used to convert mineral resources to ore reserves.

These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.



Ore Reserve is the economically mineable part of a measured and/or indicated mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level, as appropriate, that include application of modifying factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The key underlying assumptions and outcomes of the pre-feasibility study or feasibility study must be disclosed at the time of the reporting of a new or materially changed ore reserve. Ore reserves are subdivided in order of increasing confidence into probable and proved.

Probable Ore Reserve is the economically mineable part of an indicated, and in some circumstances, a measured mineral resource. The confidence in the modifying factors applying to a probable ore reserve are lower than that applying to a proved ore reserve. A probable ore reserve has a lower level of confidence than a proved ore reserve but is of sufficient quality to serve as the basis for a decision on the development of the deposit.

Proved Ore Reserve is the economically mineable part of a measured mineral resource. A proved ore reserve implies a high degree of confidence in the modifying factors. A proved ore reserve represents the highest confidence category of reserve estimate. The style of mineralisation or other factors could mean that proved ore reserves are not achievable in some deposits.

Competent Person is a minerals industry professional who is a member or fellow of the Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists, or of a recognised professional organization, as included in a list available on the JORC and Australian Stock Exchange websites. These organizations have enforceable disciplinary processes including the powers to suspend or expel a member. A competent person must have a minimum of five years relevant experience in the style of mineralisation or type of deposit under consideration and in the activity which that person is undertaking and quality to serve as the basis for a decision on the development of the deposit.

CEng

Chartered Engineer of the Institute of Materials, Mining and Metallurgy

CGeol

Chartered Geologist of the Geological Society of London

Competent Person

Competent Person - defined by the JORC Code as a member of a Recognised Professional Organization (RPO) with a minimum of five years experience working with the style of mineralisation under consideration and relevant to the activity which the person is undertaking

CP Geo

Chartered Professional (Geology) of the Australasian Institute of Mining and Metallurgy

CP Min

CP Min - Chartered Professional (Mining) of the Australasian Institute of Mining and Metallurgy

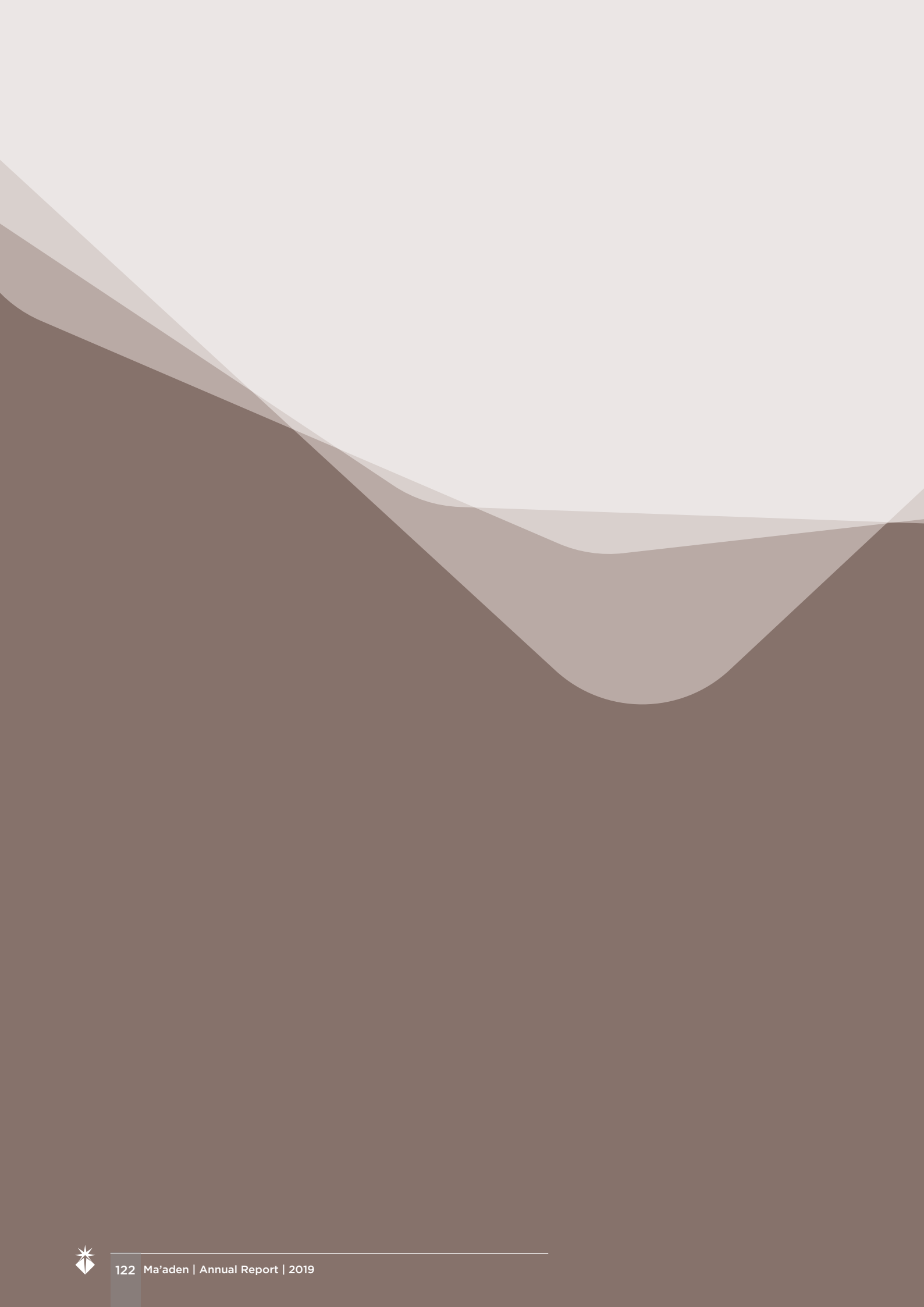
EFG

European Federation of Geologists

EurGeol

European Geologist member of the European Federation of Geologists





A Global Phosphate Power

Our growth as a global phosphate fertiliser producer and exporter over the past decade has delivered excellent benefits making Saudi Arabia a major player in the stability of global food supply.



Ma'aden phosphate continued implementing its global sales and growth strategy centred around customers during 2019, achieving key strategic milestones by maintaining strong and well-diversified phosphate sales across key international phosphate markets with balanced geographical footprints. Geographical reach expanded, product portfolio enriched & enlarged with market share increased in key markets (Brazil, India, East and South Africa). Meridian Fertiliser Group, the acquired distribution channel in Africa, has enabled **Ma'aden** to distribute more phosphate fertiliser products in blended NP/NPKs form that suits African farmers crop needs hence increase market share in Beira corridor (Mozambique, Malawi, Zambia, and Zimbabwe).

Meridian blends and distributes approximately half a million tons of fertiliser across Malawi, Mozambique, Zimbabwe and Zambia. Meridian's assets include fertiliser granulation and blending plants, warehousing complexes and port facilities in Beira and Nacala, Mozambique. Meridian's flagship fertiliser brand, Superfert, which has proven to stimulate agricultural productivity, has a loyal customer base due to its superior quality and bespoke blends.

Ma'aden is acquiring unparalleled access to complementary distribution, blending and product development capabilities in this fast-growth region. The acquisition of the Meridian Fertiliser Group allows **Ma'aden** to reach local farmers and provide them with best value, tailor-made fertilisers solutions.

Operations

Emerging as a major phosphate player in the global market.

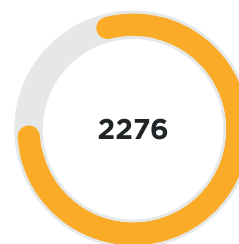
Ma'aden Phosphate business continues on its organic growth path with its first 3 million tonne ammonium phosphate fertiliser capacity (MPC) already operating at its full capacity and the second 3 million tonne capacity (MWSPC) under ramp up after coming into commercial operation at the end of 2018. Our growth as a global phosphate fertiliser producer and exporter over the past decade has delivered excellent benefits for the Saudi economy and global agriculture.

Production (Kmt)

Ammonium Phosphate Fertilizer



MPC

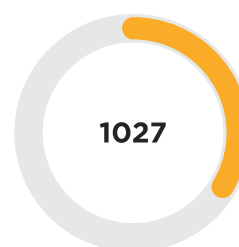


MWSPC

Ammonia



MPC



MWSPC

Sales (Kmt)

Ammonium Phosphate Fertilizer

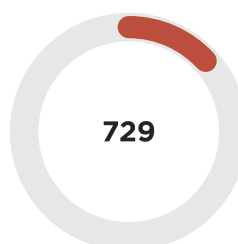


MPC

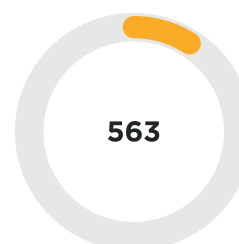


MWSPC

Ammonia



MPC



MWSPC

Events and Achievements

Major achievements

- **Ma'aden** has completed its first international distribution acquisition through the 85% share purchase of Meridian, the Mauritius-based fertiliser distribution group. The acquisition provides **Ma'aden** with logistical advantages in South East Africa through Meridian's existing operations in Malawi, Mozambique, Zambia and Zimbabwe.
- **Ma'aden** maintained its strong market position in key phosphate markets
- Penetrated new markets with growing volumes.
- Continued expanding product portfolio by producing new NPS/NPK grades which helped meeting customers requirements.

Increasing Market Share

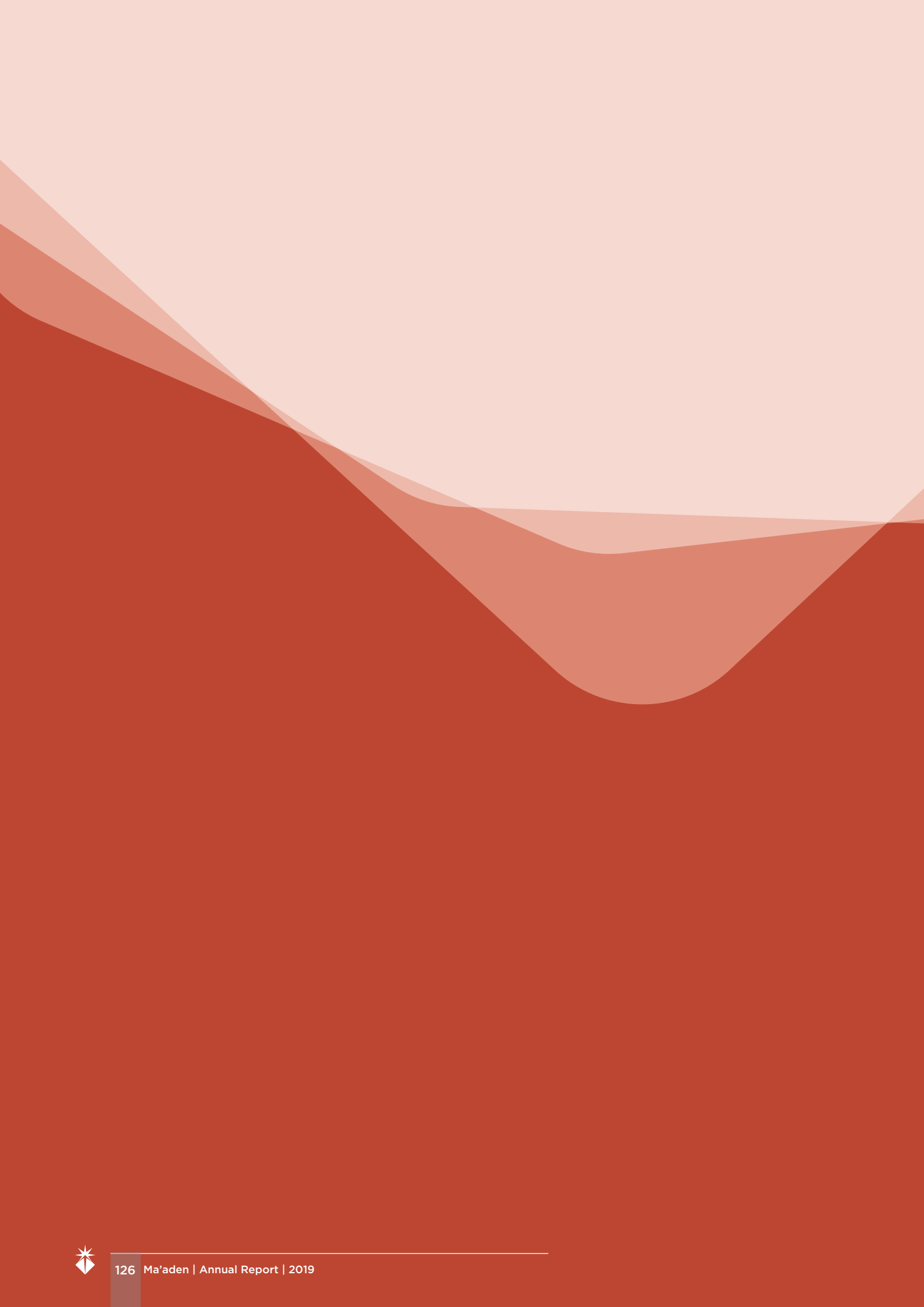
Our phosphate business has won global recognition for the sustained growth in our market share and for product quality that offers very low levels of impurities, protecting environment and human health.

The global phosphate fertilizer demand grew by 1.4% in 2019 backed by healthy demand mainly in South Asia, North America and Latin America.

We continued to expand our marketing reach in line with the growth in volumes and correspondingly increased sales in South Asia, Oceania, Africa and the Americas.

Over the past decade, our investments in an integrated Saudi phosphate value chain have contributed significantly to national economic development and creation of thousands of jobs. Our products have helped cultivate diverse crops around the world.





Sepping up Performance

Operational excellence, expanded product portfolio and market reach help industrial minerals achieve record performance in 2019.



Our wholly owned subsidiary, Industrial Minerals Company, operates a kaolin and low grade bauxite mine at Az Zabirah in the central region of Saudi Arabia, a magnesite mine at Al Ghazallah and manufacturing facilities consisting of a Multiple Hearth Furnace to produce Caustic Calcined Magnesia and Vertical Shaft Kiln to produce Dead Burned Magnesia and monolithic premix in Madinah Industrial City.

We began production of Dead Burned Magnesia in 2017 and monolithics premix in 2018. Our expanded product portfolio and the excellent manufacturing performance of our kaolin plants helped us achieve record performance in 2018 in terms of total output, sales revenues and market reach.

Our Vertical Shaft Kiln to produce Dead Burned Magnesia and monolithics premix was stabilized, achieving nearly 81 percent capacity utilisation and contributing about 20 percent of Industrial Minerals Company revenue. The plant, which began commercial production in August 2017, has a capacity to produce 32,000 tons of Dead Burned Magnesia or monolithics premix per year.

The Kaolin Plant increased production by 32 percent during 2018 with no additional cost. This was mainly achieved by restructuring the workforce and improving our preventive maintenance programme. The MHF plant producing Caustic Calcined Magnesia operated at almost full capacity in 2018.

Expanding Market, Positive Outlook

We continue to develop new global markets for industrial minerals. In 2018 we achieved 10 percent direct end-user sales in Europe, gained additional entry to the global refractory market and introduced **Ma'aden's** Dead Burned Magnesia in leading markets that cater to use of monolithics in steel furnaces.

We expanded our customer base for dead burned magnesia in the US, and for caustic calcined magnesia in Taiwan and niche markets for special applications such as LCD, LED, special glass manufacturing, fused magnesia and fused spinal manufacturing. The demand for Caustic

Calcined Magnesia and Dead Burned Magnesia in global markets remained strong in 2018.

Cement Grade Bauxite demand is driven by demand from the cement industry which continues to remain depressed with high clinker inventory with cement producers. The outlook for the cement industry, which is the primary user of Cement Grade Bauxite, continues to remain subdued.

The expanded product portfolio helped achieve record revenue surpassing SAR200 million for the first time.

Remarkable Growth

Ma'aden established IMC in 2009 to develop its industrial minerals portfolio, which has delivered excellent results over the past decade.

Over the 2009-18 period, we have achieved compound annual growth of 14 percent in sales volume and 25 percent in sales revenue. When we began operations, our Saudisation rate was 58 percent which has grown to 77 percent in 2018.







Ma'aden
Annual Report
2019



Enhancing Competitiveness

We are focusing on excellence and strengthening our competitiveness to become the best-in-class global Aluminium business.

In 2019, we continued to ramp up and optimise our Aluminium value chain and expand our market base. **Ma'aden** Aluminium is in a strong position to achieve phenomenal growth and high profitability, with cost competitiveness and product quality making a significant impact in local and global markets.

Safety and Quality

Our focus on safety and quality is helping us expand our customer base across the world.

Ma'aden Aluminium Company received ISO 45001 for occupational health and safety management systems.

Ma'aden Bauxite and Alumina Company has received OHSAS 18001:

2007 occupational health and safety management certification, ISO 14001: 2015 environmental management systems certification and the Responsible Care certification 14001:2015.

Operations

Ma'aden Aluminum Company (MAC) consists of **Ma'aden** Bauxite and Alumina Company (MBAC), **Ma'aden** Aluminium Company (MAC) and **Ma'aden** Rolling Company (MRC), which also includes an Aluminium can recycling facility.

Ma'aden Aluminium is one of the largest integrated Aluminium production chains in the world, and our goal is to make it also one of the most efficient.

Ma'aden also, has a 50 percent stake in SAMAPCO which produces caustic soda (CS), a feedstock for alumina refineries, and ethylene dichloride (EDC), a key feedstock for the production of plastics. Al-Ba'itha mine has a production capacity of 4.6 million tons of bauxite a year and the plants have the capacity to produce 1.8 million tons of alumina, 740,000 tons of primary Aluminium products and 460,000 tons of rolled products, and to recycle 130,000 tons of Aluminium cans.

The ongoing project is the smelter amperage creep which is targeting to increase the molten metal production.

Competitiveness Challenge

For **Ma'aden** Aluminium, retaining competitiveness in the face of raw material costs remains the most important long-term challenge. Our strategic emphasis on operational, capital and commercial excellence has enabled us to meet the competitiveness challenge to some extent.

For **Ma'aden** Aluminium, retaining competitiveness in the face of raw material costs remains the most important long-term challenge.

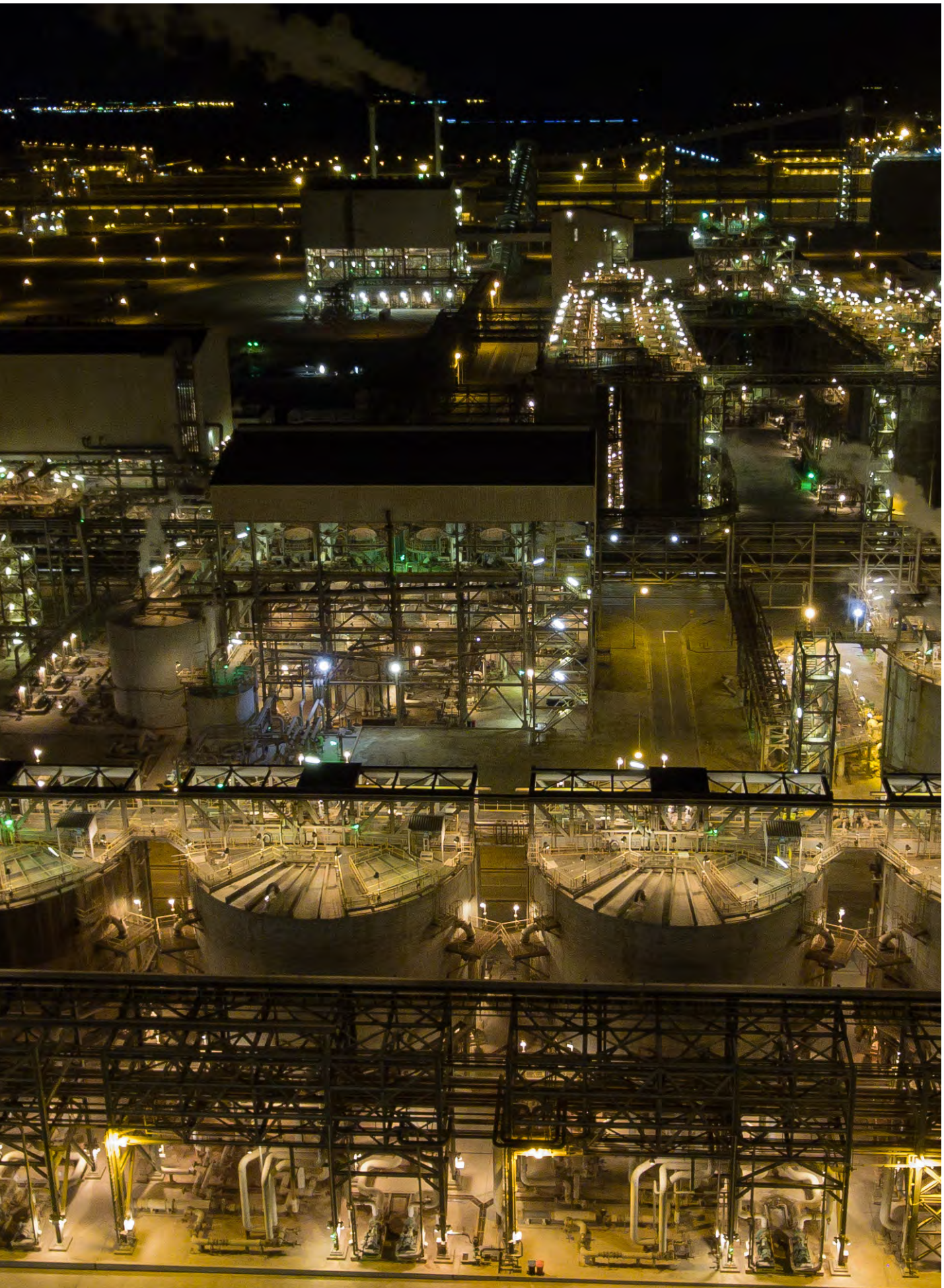
We focus on:

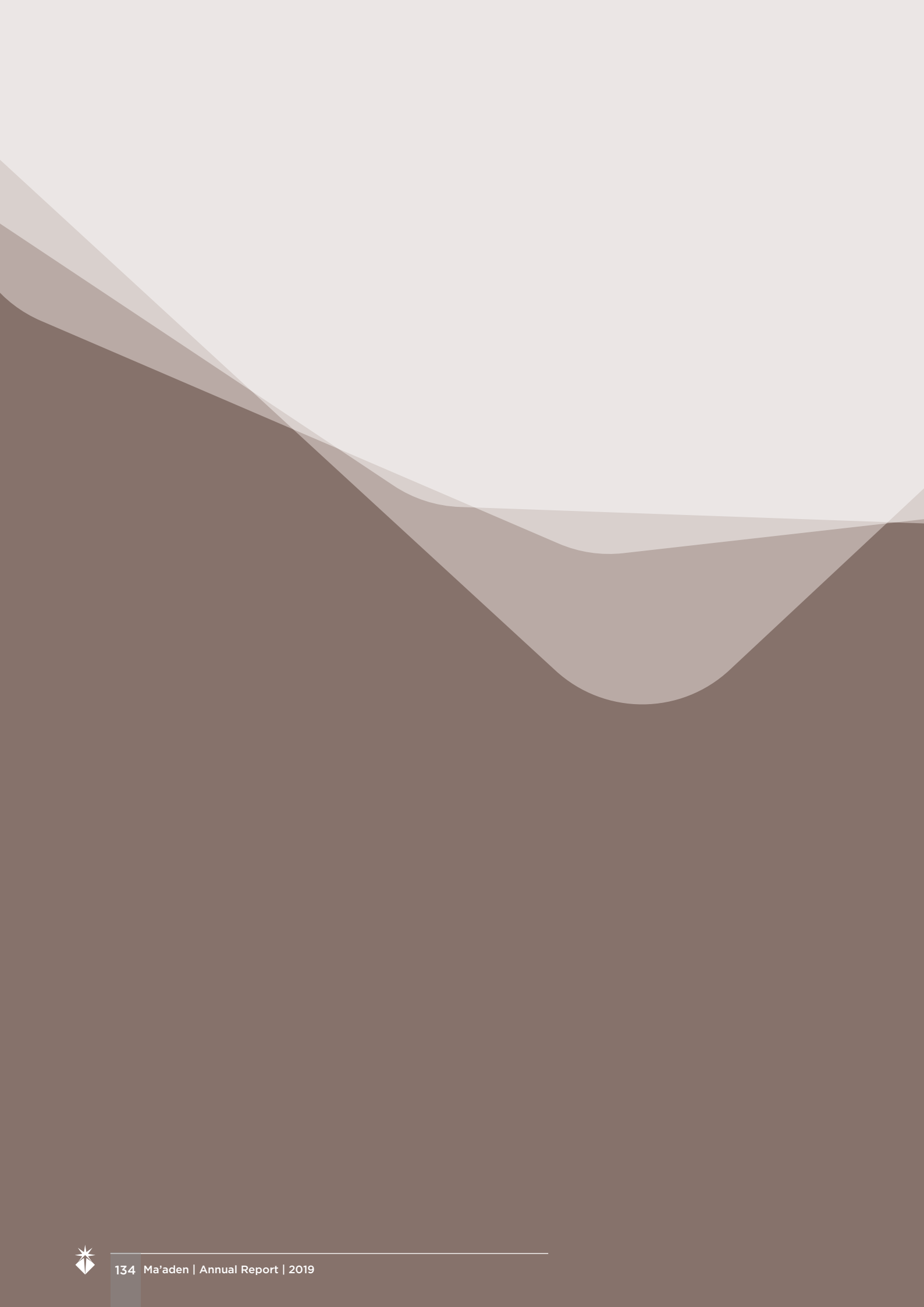
Market Reach

Ma'aden Rolling Company's products have penetrated the North American can sheet market, qualifying across several locations with leading international can makers. In the Middle East and North Africa, we have consolidated our position as the leading supplier for the can sheet market. The majority of MENA-based can makers now rely on **Ma'aden** products for their can sheet requirements. We are also expanding our market base in Europe and Asia.

Our automotive sheets have been well received by a major car manufacturer for use in vehicle manufacture. Our shaped products such as standard ingot and billet have also gained a reputation for high quality, enabling us to become the supplier of choice in several highly competitive markets.







Ad Duwayhi provides sustainable production, while plans for new projects advance long the pipeline

Ma'aden was established over 30 years ago through the initial production of gold. As the Company completes a decade since the initial IPO, gold continues to remain a key commodity within Ma'aden's 2025 strategy.



In 2019, gold production was 399,232 ounces at all-in sustaining cost of USD 896 per ounce. Averaged realized gold price was nearly USD 1,400 per ounce during 2019 due to reduced industry supply, uncertainty over escalating trade disputes, global central bank easing and geopolitical challenges.

The Ma'aden Gold and Base Metals (MGBM) business unit generated operating profit of nearly SAR 1 billion in 2019. Copper, zinc and silver by-product credits reduced cash costs at the Company's polymetallic operations, Mahd Ad Dhahab and Al Amar mines.

Operations

Ma'aden Gold and Base Metals Company (MGBM) is a wholly owned subsidiary of **Ma'aden**, which manages the gold operations. MGBM operates six gold mines in Saudi Arabia: Ad Duwayhi, Mahd Ad Dhahab, Al Amar, Bulghah, Sukhaybarat and As Suq.

Ad Duwayhi open pit mine and plant produced 264 thousand ounces of gold due to favorable plant performance. The plant achieved annual production capacity of 2.3 million tons at a higher recovery.

Al Amar underground mine produced gold bullion, zinc concentrate and copper concentrate and continued improvements in base metals recoveries in the plant following commissioning of the new flotation circuit in 2018. Al Amar's ore body is high in zinc, and a conceptual study commenced in 2019 aimed at increasing production, reducing operating costs and significantly extending the life of the mine.

As Suq open pit mine initiated improvement efforts focused on slide slope leaching to increase gold recovery from the heap leach. Drilling campaigns proved successful in identifying further resources and extending the life of the mine. A satellite pit was developed to access additional ore.



Mahd Ad Dhahab underground mine initiated an extensive drilling campaign targeting resources to extend the life of the existing asset through a potential open pit project. Results of the drilling activities will be studied to determine if a feasibility study will be progressed in 2020. In support of safety and future development of the mine, extensive geotechnical modelling was completed to map drifts and stopes using drone technology.

Both underground mines – Al Amar and Mahd Ad Dhahab – implemented safety improvements to reduce the safety risk of working underground. Radio networks that operate underground were installed to allow for communication from various parts of the mine and to support vehicle collision avoidance systems.

All MGBM mines are signatories to the International Cyanide Management Institute. There has not been a cyanide-related incident or spill since 2014. Mahd Ad Dhahab mine earned certification in 2019. MGBM continues to pursue Ma'aden's 2025 strategy goals focused on Saudi human capital development, sustainability and local content. The Company is deploying a Programme to train 80 Saudi Nationals through Saudi Mining Polytechnic (SMP) for future roles within the business. The training is augmented with practical work instruction at various operations and classroom instruction at SMP.

MGBM is working closely with corporate sustainability and local development teams to strengthen local content around existing operations and community Programmes in support of small and medium enterprises in the regions where we operate.



Mansourah-Massarrah

The bankable feasibility study for the Mansourah-Massarrah gold project was completed in 2018. Following a detailed contractual bid process for the Engineering Procurement and Construction contract, the Board of Directors approved the project in 2018, leading to the appointment of a project management consultant in the third quarter. Average annual production is approximately 250,000 ounces per annum with an initial mine life of 12 years. First gold is expected in 2022. Through additional drilling efforts, exploration has intersected gold mineralisation in subsequent drilling campaigns in nearby areas.

Mansourah-Massarrah project consists of two main pits and will be mined as an open pit operation. The run-of-mine (ROM) ore will be transported to a centralised processing unit, consisting of a carbon-in-leach and pressure-oxidation facility, the first of its kind in Saudi Arabia's gold industry. The project will create over 1,000 new jobs and support local, social and community development initiatives. Construction of the mine commenced during the latter part of 2019: Temporary access roads, ROM wall and crusher foundation were completed; permanent communication tower, ball mill foundation and construction camp execution is underway.

Ar Rjum

Ar Rjum gold project pre-feasibility study began in the fourth quarter of 2018 and was completed at the end of 2019. Pending a favorable result, a bankable feasibility study will follow. Based on previous assessments, annual production ranges between 160-200,000 ounces per year with a potential mine life of 11 years. The resource will be mined using open pit methods with conventional gold processing facilities constructed on site.

Both Mansourah-Massarrah and Ar Rjum projects are accessible by relatively short access roads from the Taif highway, which connects the Taif province with Jeddah.

Taif Water Pipeline: a key sustainability achievement

Ma'aden's long-term vision of infrastructure investment and sustainability has had a positive impact on the Company's growth strategy. The Taif water pipeline, which supplies treated wastewater to the mines, is an example of **Ma'aden** integrating sustainability into MGBM gold mining operations.

In 2016, MGBM commissioned the infrastructure to supply bulk industrial quality water to the Central Arabian gold region. The pipeline, which has been delivering water to Ad-Duwayhi since 2016, will also supply the Mansourah-Massarrah project. The pipeline will be upgraded to supply water to the Ar Rjum project when operations commence. At its peak, it is estimated that the 475 kilometer long pipeline will deliver around 22,000 cubic meter of treated water per day from the Taif municipality. Use of treated wastewater for mining operations leverages a renewable water source for the gold mining industry, further minimizing the impact of mining on local groundwater resources, whilst adopting a best practice approach to environmental protection.





Growing Reputation as a Copper Producer and Exporter

Ma'aden Barrick Copper Company is the owner of the Jabal Sayid Project in Saudi Arabia. The company is a 50/50 joint venture between **Ma'aden** and Barrick Gold Corporation Ltd. The company obtained its mining licence in December 2014.

Jabal sayid is an underground mine producing ore containing copper, with traces of gold and silver. This ore is processed on site and a copper concentrate is produced. Copper concentrate is then trucked to a ship loading facility in the port of Yanbu.

Jabal Sayid is situated in the West of Saudi Arabia, lies 150 km to the South East of the Al Madinah Al Munawwarah and approximately 310 km to the North East of Jeddah, approximately 350 km by road from the port city of Yanbu Al Bahr. The site is situated within the municipality of Al Madinah City. The nearest sizeable town is Al Mahd, which is situated some 35 km to the south of the Jabal Sayid site.

Ramping up mining operations and getting the paste plant into full production was the focus for mining in 2018 and 2019. Mining ramped up production to deliver 1.88M tonnes of ore to the ROM. The development of the main decline was completed to the 1105mRL in November 2018. This is the current bottom of known ore blocks and will only be extended if further diamond drilling finds new ore blocks at depth. Commercial production of the processing plant was announced on 1 July 2016, when management decided the plant was running at its designed capacity. During 2018, there were twenty shipments of copper concentrate that left Yanbu Port destined for either China, Japan or India.

The company continued to provide all necessary environmental monitoring data to the General Authority of Meteorology and Environmental Presidency. All reports are

now backed up by a substantial database of environmental readings, including dust, noise and water monitoring. Permits and certificates update in 2018 were:

- Operating permit was issued to The company during March 2016. It is valid for two years. The company has commenced with the renewal process in November 2018.
- The company was issued an environmental operating permit, number 329U/37/15967 for Shed 6 in Yanbu. This permit has expired on the 13th of September 2017 and the company submitted all the required documents and awaiting final approval from General Authority of Meteorology and Environmental Presidency.
- In addition to these approvals, environmental management plans continue to be implemented.
- The number of workers employed directly by the company as in December 2019 was 236. Of these, 43 were expatriates. 193 or 81% of employees were Saudi nationals. Approximately 42% of the company's Saudi national employees are from the local communities surrounding the mine.
- The declared ore mined for 2019 was 2,386,353t @ 2.86% Cu for 150,723,677lbs Cu mined. Additionally, 4,411m of horizontal development was completed in 2018. A total of 8,412m of underground diamond drilling was completed from underground in 2018.
- Total site reserves at the end of 2018 stand at 27.1Mt @ 2.38%Cu for 1,424Mlbs Cu. The change from end of 2017 reserves is attributable to:
- Significant conversion of inferred resources to proven and probable reserves from infill drilling and additional ore from drilling success.
- Mining and stockpile depletion (1.89Mt)
- In 2019, a total of 2,284kt at 2.82% Cu was processed with 93.2% recovery, producing 132.4mlbs of copper.

For 2019, operating costs totalled USD137.85M and capital expenditure was USD 30.11M. Capital projects included HCIS (USD 3.75M). Standby pumps - Execution USD 1.36M), filter expansion (USD 18.01M) and various other projects.



Higher output

The mine and plant ramp-up has gone very well, with output exceeding the targets for the year. The mine output was 1,897 kt of ore against a target of 1,800 kt and tons milled stood.

At 1,949 kt against a target of 1,801 kt. In 2018, the mine output was 15 percent higher compared with 2017, and the mill throughput was 19 percent higher. Higher throughput and grade improvements helped us increase copper production from 38,587 tons in 2017 to 50,340 tons against the budgeted 45,573 tons.

Paste plant

We completed construction of a paste plant, an essential part of the underground copper mining cycle in 2017 and commissioned it in 2018. The magazine project for the mine - construction of which was also completed in 2017 - received approval from the Saudi Arabia Higher Commission for Industrial Security. We completed the adoption of the HCIS Integrated Safety and Security System in the first quarter of 2019.

With zero lost time injuries and no environmental incidents, our Environment, Health and Safety performance remained strong.

Goal

Several initiatives and capital project studies are underway to continue the ramping up of plant throughput to achieve 2.6 Million tons by year 2020.

Ma'aden also produced 18,000 tons of zinc concentrate and 10,000 tons of copper concentrate as by-products from the gold mines. The zinc concentrate was shipped to Europe while copper concentrate to South America. **Ma'aden** Gold and Base Metals Company (MGBM) will continue to study the potential to increase base metals production both at its fully owned mines and in cooperation with **Ma'aden** Barrick Copper Company.

2014

Agreement with Barrick Gold Corporation to establish joint venture **Ma'aden** Barrick Copper Company

2015

Commissioning of the Jabal Sayid Mine
first pre-commercial shipment of copper concentrate

2016

Mining development was accelerated to pre-develop the mine with the aim of commencing stoping earlier

2017

Construction of paste plant completed, essential for the maximum safe extraction of the resource

2018

2 million lost time injury-free man hours achieved, and underground infrastructure development exceeded the plan, positioning the mine well for its ramp-up to full production. First paste fill placed

2019

Safely produce 132.4 million pounds of copper during 2019, which represents a 14.5Mlbs or 14% increase over the 2019 target of 117.8Mlbs

Over the past three years, **Ma'aden** has established a strong reputation as a local, regional and global supplier of copper concentrate. In 2019, we exported 217,334 tons of the product to India, China and Japan.





Ma'aden
Annual Report
2019



Governance, Risk and Compliance

Safety and Sustainability:
Our Greater Focus



The Ma'aden Board of Directors has consistently adopted measures to strengthen corporate governance over the past decade. The latest move by the Board to institute the Safety and Sustainability Committee is an example.

Ownership and Structure:

Ma'aden was wholly owned by the Saudi Government until 2008, when half its shares were floated on the Saudi Stock Exchange (Tadawul). In June 2018, the Saudi Public Investment Fund (PIF), the largest shareholder in **Ma'aden**, consolidated the Government's interest in **Ma'aden** by acquiring the shares held by two other Government organizations: the General Organization of Social Insurance and the Public Pension Agency. Consequently, the PIF now holds 67.18 percent of **Ma'aden's** issued shares and private investors hold the remaining 32.82 percent free float.

Ma'aden includes six wholly owned Subsidiaries, six joint ventures and two jointly controlled entities.

The **Ma'aden** organisational structure shows how our business segments and corporate functions are structured. **Ma'aden** Corporate is responsible for the effective management and governance of the Group.

This includes the funding of affiliate and jointly controlled entities that carry out various projects related to all stages of the mining industry.

Ma'aden Infrastructure company is responsible for the development, construction and delivery of certain infrastructure services to **Ma'aden** entities in the Ras Al-Khair area, principally for the Phosphate and Aluminium operations.

Board of Directors' role

The **Ma'aden** Board of Directors oversees corporate governance, risk management and compliance as stipulated in the Capital Market Authority Corporate Governance Regulations and the company's Articles of Association. The Board's responsibilities include:

- the approval of strategic plans and objectives and supervision of their implementation
- the setting of performance goals and supervising the implementation of measures to achieve them
- the approval of quarterly and annual financial statements
- laying down and overseeing rules for internal control systems
- the decisions on policies and procedures to ensure compliance with laws and regulations and the obligation to disclose material information to shareholders, creditors and other stakeholders as stipulated in Tadawul's Listing Rules.

The governance and compliance functions work in close coordination with the rest of the organization to ensure that policies and practices are reviewed and updated continually, with the goals of communicating the latest regulatory changes and enhancing integrity and transparency.

General Assembly

The general assembly of shareholders is the platform where shareholders exercise their voting rights. Shareholder consent is given on the most important company matters through voting at the general assembly. Shareholder voting is conducted typically to approve:

- The consolidated annual financial statements
- The Board of Directors' report for the past year
- The Board of Directors' recommendations on dividend payments
- The election of Board and Audit Committee members
- amendments to the company's Articles of Association
- The appointment of external auditors

- decisions related to raising capital

The general assembly is held in the first quarter of every year.

Extraordinary general assembly meetings are convened when necessary. **Ma'aden** fulfills all its obligations to shareholders as stipulated in the CMA's regulations and the company by-laws.

Board of Directors

Ma'aden's Board of Directors consists of 11 members (with two vacant seats that will be filled later) appointed by the general assembly for a term of three years. The Board includes six non-executive members representing our largest shareholder and three independent members, in accordance with **Ma'aden's** Articles of Association.

The current Board of Directors was appointed on 22 October 2017. Its three-year tenure began on 25 October 2017 and will end on 24 October 2020.

The Board holds at least five meetings every year to review the Company's progress in implementing strategic decisions, initiatives and achievements and to assess current and emerging challenges.

Board Committees

Under the Corporate Governance Framework approved by the shareholders, the Board of Directors is empowered to form sub-committees that help the Board carry out its responsibilities more effectively.



Ma'aden's Board has appointed four sub-committees:

- Audit
- Nominations and Remuneration
- Executive
- Safety and Sustainability.

Each committee has its own charter and terms of reference, indicating its scope of work, duration and powers and is required to report its activities to the Board in a timely and transparent manner.

Audit Committee

The most important tasks of the Audit Committee are:

- review **Ma'aden's** financial policies and procedures
- oversee the Company's internal audit function to ensure that it is enabled to fulfill all the tasks assigned by the Board of Directors
- review the internal audit plan, procedures and reports and submit recommendations to the Board regarding the appointment and termination of the chartered auditors' services and determine their fees
- follow up the work of the external auditors and approve activities outside the scope of auditing assigned to them and review their audit and review report in the financial statements

The Audit Committee charter, which identifies the committee's powers and responsibilities, is available on www.maaden.com.sa/en/investor/committees.

Nomination and Remuneration Committee

The duties and responsibilities of the Nomination and Remuneration Committee include:

- annual review and recommendations of the skills, competencies and work experience needed to strengthen the capacity of the Board
- assistance in the selection and qualification of nominees for Board membership and preparation of a long-term succession plan
- annual verification of independent members' credentials and to determine if there are any conflicts of interest if the member serves on the Board of another company
- review and approve all compensation

(salaries, allowances, shares) for Maaden on an annual basis

- review and approve human resources policies and procedures, administrative development programmes and plans for succession of the executive
- evaluate objectives (including key performance indicators) to be achieved within the reward and incentive programmes.

The Nominations and Remuneration Committee charter, which identifies the powers and responsibilities, is available on www.maaden.com.sa/en/investor/committees.

Executive Committee

The duties and responsibilities of the Executive Committee include:

- review **Ma'aden's** strategies, business plans and make recommendations to the Board
- review the workforce budget and operational and capital expenditure budgets
- review proposed business, operations and financial plans and provide recommendations to the Board
- review and receive all reports related to the execution and completion of projects and expansion work
- oversee and monitor the implementation of operational policies and procedures excluding those related to accounting.

The Executive Committee charter, which identifies its powers and responsibilities, is available on www.maaden.com.sa/en/investor/committees.

Safety and Sustainability Committee

The committee, formed at the Board meeting on September 24, 2018, held its first meeting on December 29, 2018. The main tasks of the committee are:

- assist the Board of Directors in overseeing the strategies, policies, administrative processes and company performance in the areas of Health, Safety and Environment, and reduce the losses resulting from injuries to staff and contractor employees
- provide guidance and advice to the





executive management on improvements to the company's initiatives, policies and practices to ensure compliance, while strengthening the company's values in the areas of EHSS and sustainability

- review and oversee the policies and regulations related to Health, Safety, Environment and sustainability.

The Safety and Sustainability Committee charter explains the committee's scope of work and mandate and sets other parameters for its functioning. The charter is available on www.maaden.com.sa/en/investor/committees.

Compensation policy

We follow the compensation guidelines of the Saudi Companies Law in offering financial and other material benefits to our Board members. The regulations state that the compensation to the Board and its sub-committee members may consist of a specified salary or meeting attendance fee, material benefits, a percentage

of the net profits or a combination of two or more of these benefits.

The **Ma'aden** Board of Directors may amend the remuneration and compensations allocated for the members at any time, provided these changes are stated as per the relevant laws.

Audit committee

On 22 October 2017, the general assembly approved the charter of the Audit Committee and the compensation paid to its members:

- The member shall be paid a fee of SAR 3,000 for attending a meeting.
- Annual remuneration of SAR 100,000 paid for each committee member, excluding Board members, with 10 percent deducted for each failure to attend a meeting during the financial year. In case the member fails to complete one year for any reason, the amount of the remuneration shall be



deducted proportionally to the number of days during the year the member was not a committee member.

- The remuneration of the committee member who serves as a Board member shall be in accordance with the provisions of the Articles of Association.

Nomination and Remuneration Committee

On 22 October 2017, the general assembly approved the Nomination and Remuneration Committee charter and the compensation paid to its members.

- The member shall be paid a fee of SAR 3,000 for attending a meeting.
- Annual remuneration of SAR 100,000 paid for each committee member, excluding Board members, with 10 percent deducted for each failure to attend a meeting during the financial year. In case the member fails to complete one year for any reason, the amount of the remuneration shall be deducted proportionally to the number of days during the year the member was not a committee member.
- The remuneration of the committee member who serves as a Board member shall be in accordance with the provisions of the Articles of Association.

Executive Committee

- On 24 April 2010, the general assembly approved the Executive Committee charter and the compensation paid to its members.
- annual fee
- annual compensation
- The Board of Directors' report to the Ordinary General Assembly meeting includes a comprehensive statement of all remunerations and other amounts paid to the committee members.
-

The Nomination and Remuneration Committee takes into consideration remuneration according to the functions and competencies of the member and the service that he or she provided.

Executive Compensation Policy

Total executive compensation is linked with the company's performance, which includes a performance bonus plan that is comprised of a short-term incentive plan and deferred long-

term incentive plan, consisting of a maximum cap. The compensations are approved by the Nomination and Remuneration Committee.

The deferred long-term incentive plan is based on installments paid over three years to retain senior executives and to be funded on a long-term basis.

Ma'aden human resources department calculates the bonus based on the company's policy and submits to the Nomination and Remuneration Committee, which approves bonuses as per budget. These bonus payments are also included in the Board of Directors' report.

Profit Distribution

We follow a well-defined policy on the distribution of our annual net profits based on Article 44 of **Ma'aden's** Articles of Association. The policy consists of six key points:

- Ten percent of the annual net profits shall be set aside to form a statutory reserve. The General Assembly meeting may decide to discontinue this allocation when the statutory reserve reaches 30 percent of the paid-up share capital.
- The General Assembly meeting may, based on a proposal by the Board of Directors, set aside a percentage of the annual profits to be allocated towards one or more specific purposes.
- The General Assembly meeting may, based on a proposal by the Board, decide to form additional reserves, to serve the interest of the company, or to ensure the distribution of as steady dividends as possible to the shareholders.
- The general assembly of shareholders, based on a proposal by the Board, may also allocate from the net profits certain amounts to establish social organizations for the company's employees or to support such organizations that may already be in existence.
- Subject to the provisions stipulated in Article (20) of the Ma'aden's Articles





of Association and Article (76) of the Companies Law, if the compensations for the Board are a percentage of the company's dividends, The general assembly may, upon a proposal of the Board of Directors, decide to distribute the remaining amount (if any) to the shareholders as an additional share of the profits.

Ma'aden may distribute interim dividends to the shareholders on a semi-annual or quarterly basis to its shareholders in accordance with the CMA's guidelines.

The Board of Directors, at a meeting held on 24 January 2019 has recommended to the general assembly not to distribute dividends for the financial year ended 31 December 2018 to enable **Ma'aden** to complete the projects that are being implemented under its 2025 Strategy.

General Assembly Agenda

The Board of Directors of **Ma'aden** makes the following recommendations to the ordinary general assembly meeting to be held on 03 March 2020:

- Vote to approve the Consolidated Financial Statements for the year ended on 31 December 2019.



- Vote to approve the External Auditor's report for the year ended 31 December 2019.
- Vote to approve the Board of Directors report for the year ended December 31, 2019.
- Vote to approve the Board of Directors recommendation not to distribute dividends for the year ended 31 December 2019.
- Approve the remuneration of the Board of Directors members for the year ended 31 December 2019.
- Vote on the discharge of Board of Directors members from liabilities for their activities during the financial year ended 31 December 2019.
- Amendment of Article 16 of the Articles of Association of the Company, stipulating that the Board of Directors shall be composed of 10 members appointed by the Ordinary General Assembly for a period of three years, including the President and CEO of the company.

Board's Declaration

The Board of Directors declares that:

- proper books of account have been maintained,
- the system of internal control is sound in design and has been effectively implemented and
- there are no significant doubts concerning **Ma'aden's** ability to continue its activity.

Management Declaration

- There are no shares or debt instruments issued by the Subsidiaries except as referenced in **Ma'aden's** consolidated financial statements included in this annual report. Except the members of the Board of Directors, senior executives and their relatives, no person notified the company of any class of voting shares as stipulated in Article 45 of the Listing Rules issued by the Saudi Capital Market Authority.
- **Ma'aden** did not issue or grant any convertible debt instruments, contractual securities, warrants or similar rights during the financial year.
- **Ma'aden** did not issue or grant any conversion or subscription rights under any convertible debt instruments, contractual securities, warrants or similar rights.
- **Ma'aden** and its subsidiaries did not make any redemption, purchase or cancellation of any redeemable debt instruments.
- **Ma'aden** did not conduct any material businesses or transactions with related parties in violation of its Articles of Association, the Companies Law, the Capital Market Law and related regulations.



- **Ma'aden** did not enter into any business or contract in which a Director of **Ma'aden**, the President CEO, the CFO or any person related to any of them had any interest. We have disclosed the non-**Ma'aden** Board memberships of all our directors as part of their profiles in the Leadership section of this Annual Report.
- None of the Board members or senior executives of **Ma'aden** has made any waiver of any salary or remuneration.
- None of the shareholders has waived any rights to a share in the profits.
- The external auditor's report did not include any reservations on the consolidated annual financial statements, and the external auditors did not carry out any other professional services outside the scope of the normal audit except for zakat and income tax, which do not affect the principle of independence and objectivity according to the approved Saudi standards.
- The Board of Directors did not recommend premature replacement of the external auditor.
- **Ma'aden** did not incur any material penalty from any authority or supervisory or regulatory or judicial body in 2017. However, on 18 December 2017, **Ma'aden** reached a settlement with the General Authority for Zakat and Tax to pay SAR 11,681,400 in accumulated additional tax payments for the period 2004-2013. This decision is under appeal.

Accounting Policy

The first set of IFRS consolidated financial statements of the Group for the financial year ended 31 December 2017 and the standalone financial statements for each of the legal entities in the Group have been prepared in full compliance with IFRS and the guidelines issued by SOCPA.

All of these financial statements were audited in accordance with International Standards on Auditing and a clean audit opinion was issued for each of them by external auditors, indicating full compliance with IFRS.

New IFRS standards such as IFRS 9 and 15 have been implemented with effect from 01 January 2018. No material inconsistencies exist as a result of the adoption of IFRS as endorsed in the Kingdom of Saudi Arabia.

Internal Audit

Internal audit maintained its independence and objectivity that are essential to carry out its assurance and consulting activities over a wide range of key business processes. Internal audit aims to continually make improvements in internal control systems, risk management and governance processes by applying a systematic, disciplined and risk-based audit approach, in line with the international professional practices and standards of internal audit.

The Chief Audit Executive periodically assesses whether the mandate set forth in internal audit's charter is leading to the accomplishment of the company's assurance objectives. Internal audit's broad coverage of business processes is core to its value proposition and comprises the following key elements:

Role of Internal Audit

Internal audit reported its assessment of internal controls on a quarterly basis to the Audit Committee and achieved target completion of the audit plan.

Based on our performance in 2018 and consistent with the understanding of internal control systems deployed in **Ma'aden**, the internal audit function believes that **Ma'aden** has effective systems of internal controls.

The risk exposures and internal control issues highlighted to the Audit Committee during the year are not considered to be significant enough to materially impact on company's operations or its ability to implement 2025 strategy.

Ethics And Compliance

Ethics and compliance continue to play a fundamental role in the success of our corporate governance practices. We continually work to identify, evaluate, control and monitor compliance risks and adopt appropriate control measures and remedial actions.



Local and global regulations and guidelines have undergone changes in 2018 and 2019 that have an impact on **Ma'aden's** business.

We ensure that mechanisms are in place to enable **Ma'aden** to comply with the changes. In 2019, we focused on the anti-harassment law, bankruptcy law and the changes made to the Companies Law in Saudi Arabia.

Recent initiatives, including the **Ma'aden** independent whistleblower hotline, enhanced due diligence reports and the compliance page on **Ma'aden** website have strengthened the controls surrounding compliance while reducing the related risk exposure.

Having automated the **Ma'aden** Annual Ethics Declaration System, we have attained 100 percent staff participation, an industry-leading achievement, for two years running.

Automation has made the declaration process easier by enabling staff to systematically declare their compliance with the key elements of our code of conduct, anti-corruption and conflict of interest policies.

Face-to-face training and e-learning during the year covered **Ma'aden's** values, code of conduct and anti-corruption policies. We have conducted 101 awareness sessions on **Ma'aden's** values and code of conduct, which were attended by 3,433 employees.

We continue reviewing, developing and drafting **Ma'aden's** policies to ensure that they address ethics and compliance risks and current regulations.





Investor Relations & Market Compliance

Ma'aden Investor Relations provides the investment community with an accurate portrayal of the company's performance and its future plans and prospects. **Ma'aden** market compliance functions as an effective communication channel between **Ma'aden's** Board of Directors and executive management on the one hand and the investor community and market analysts on the other.

Our Investor Relations Policy is designed to ensure that we comply with all our disclosure obligations as stipulated by the listing rules and guidelines of the Saudi Capital Market Authority.

As a company that values investor rights and concerns, we are committed to be transparent in our approach to shareholders, employees, partners and external stakeholders interested in **Ma'aden's** performance.

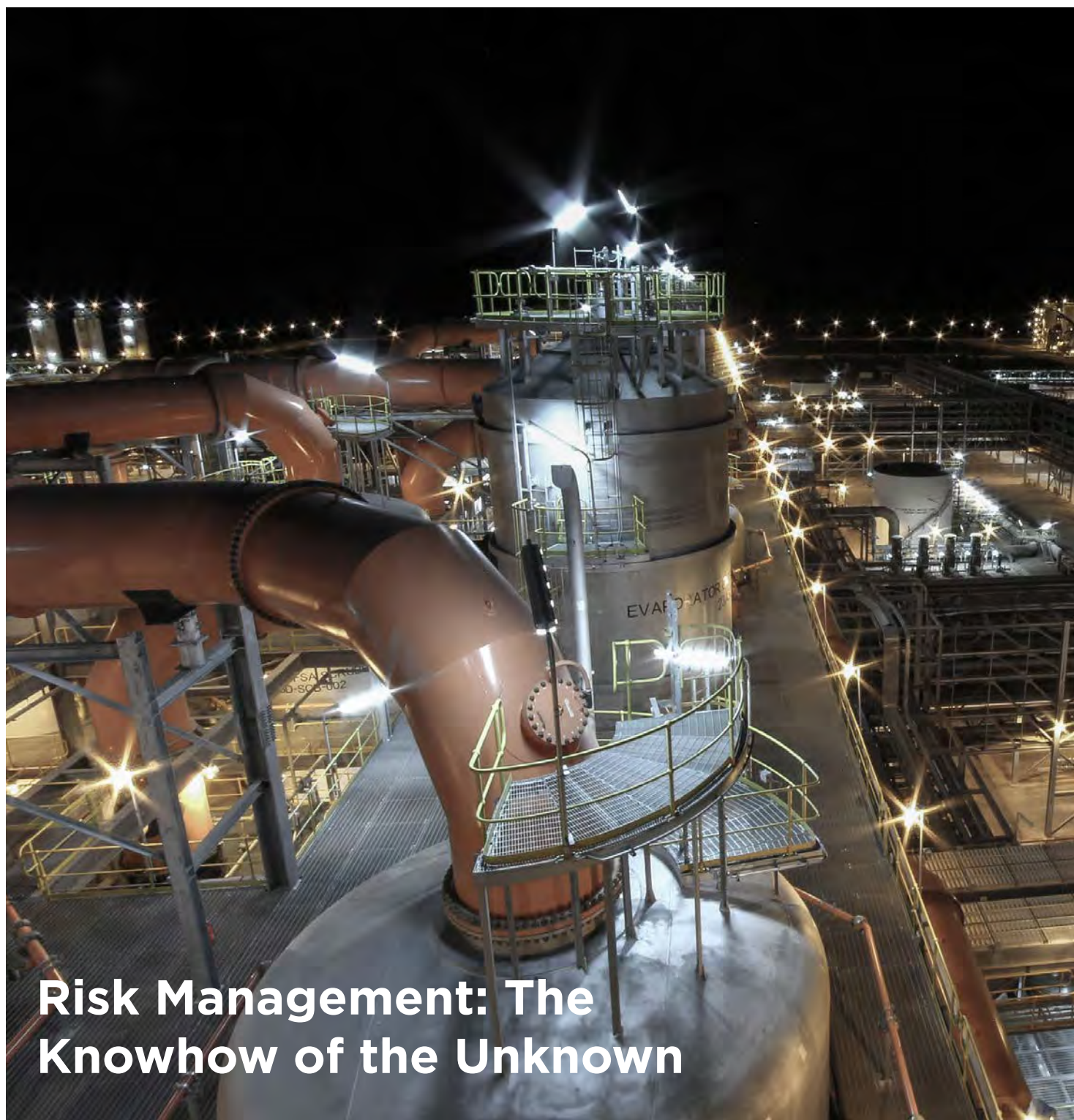
Our policy is to proactively communicate with the market and inform our stakeholders of all key developments that may have an impact on the business.

In addition to relying on our website and Tadawul's platform to share information, we hold periodic dialogues to enable the most effective two-way communication between the company and the financial community and advise the company's senior management about market perceptions.

Our activities thus help investors in determining our stock's fair value, reduce market volatility and sustain the long-term credibility of the company, its operations and business plans.

Shareholders vote on major decisions through a system of electronic voting, either through Tadawul website or at the general assembly. Investor Relations ensures that the votes are aggregated and conveyed to the Board of Directors.





Risk Management: The Knowhow of the Unknown

A Decade of Improvements

Preparing for the unknown is part of our knowhow and expertise we abide by at **Ma'aden**. Our Enterprise Risk Management approach has gone through a major shift over the past decade. We have achieved considerable progress in transitioning from an isolated project-based risk approach to assessing risks under a more consistent, group-wide framework. This has led to the development of more detailed risk registers following a common approach with a focus on impact, likelihood and risk treatments. We have also taken the step of establishing risk appetites and tolerances for group companies to enable better decision-making around risks. This groundwork has laid the foundations for improving our risk reporting quality and enabling better quantification of risk. Looking to the future, the bringing together of appetite, tolerance and improved quantification leaves us in a stronger position to adopt risk-based decision-making practices across the group.





Main Risks Facing Ma'aden

Ma'aden reviews and assesses risk in line with the ISO31000 Framework.

It uses both top-down and bottom-up approaches to identifying risk. In this section we describe the principal risks that we have identified and our efforts to mitigate them. There can be no assurance that these efforts will be successful in mitigating these risks, wholly or partly. The risks we list here are the principal risks and there

are numerous other risks which could have a material adverse effect on **Ma'aden's** financial condition and operating results.

Commodity Price Fluctuations

Ma'aden cannot control the market prices for its products and significant shifts in commodity prices will directly affect revenues. This effect can be positive during times of rising commodity prices or negative when commodity prices fall, leading to a significant impact on profitability and cash flows.

Ma'aden generally does not hedge its market price exposure and instead seeks to mitigate this risk by leveraging its capability as a low-cost producer. In times of surplus supply and declining prices higher cost marginal players will tend to be driven out of the market whilst the lower cost producers are better positioned to continue producing with a positive cash margin.

Cyber Security

Ma'aden may be vulnerable to ongoing cyber-attacks just as any other business anywhere in the world. These attacks could threaten the integrity of our intellectual property and other sensitive information and disrupt our business operations. This could result in physical damage, reputational harm, seeking of ransom payments and other negative consequences which could have a material adverse effect on our financial condition and results of operations.

This is a constantly evolving area of risk. **Ma'aden** has extensive safeguards, firewalls and other defenses built into its systems. We also use third party cyber security companies to assist with protecting and securing our information technology environment. **Ma'aden** constantly reviews cyber threats, looking for opportunities to enhance its cyber security.

Projects

Identification of new projects, their development and execution on time, on budget and on specification is another area of risk. Ineffective development and execution of key projects can compromise the capital expenditure budgets and schedule. This would consequently affect the Company's profitability, growth prospects, reputation and overall financial health.



Development and investment decisions in respect of new projects are made using a "stage gate" system to ensure that new projects properly account for the costs, risks and expected returns on investment. During execution, project managers, including third party expert companies, are used to manage progress to ensure project completion on budget and schedule.

This includes providing monthly completion reports and capital expenditure reports to the management to monitor progress, identify slippage and propose remedial action.

Railway Services

Ma'aden is reliant on the services provided by Saudi Arabian Railways for efficient and cost-effective transportation of raw materials, ore and intermediate products between its principal operating sites. An inability to move materials could result in the need to reduce or cease operations at certain facilities until supplies could be restarted. This would lead to a negative impact on the Group's profitability and cash flows.

Should Saudi Arabia Railway fail to meet our volume demand, **Ma'aden** will rely on transportation by trucks. This would entail a higher cost, may not be able to meet full volume requirements and may not be suitable for certain materials.

Power Interruption

Any significant power outage at our Aluminium smelter due to equipment failure, issues with the connections to the Saline Water Conversion Corporation power plant or any other cause would have a material adverse effect on our operations and business results.

To mitigate this, risk Saline Water Conversion Corporation maintains a generating capacity significantly in excess of **Ma'aden's** needs.

Ma'aden also maintains access to the Saudi Arabian power grid that can be activated in case of interruptions or shortfall in the Saline Water Conversion Corporation plant supply.

Feedstock and Prices

Limits on the higher cost of key feedstock, including natural gas, sulphur, diesel and other fuel would have a negative impact on operations, profitability and cash flows.

Ma'aden depends on Saudi Aramco for the supply of natural gas, sulphur, diesel and other fuel. The natural gas is supplied from a reliable grid but in the event of an outage at Saudi Aramco there could be a shortage of supply. Sulphur is readily available in Saudi Arabia from a number of Saudi Aramco facilities. Sulphur supplies to **Ma'aden** are reliant on access to the rail network ('Railway Services' risk above). To mitigate this Maaden maintains an option to supply by road. The supply of gas, sulphur and diesel are agreed with Saudi Aramco but pricing may change as a result of market fluctuations or changes in the government's energy policy.

Health, Safety, and Environment

Ma'aden takes the safety and security of its facilities, employees and their families very seriously. At **Ma'aden**, Health, Safety and Environment means ensuring that an ideal environment is created in which all our employees, business partners, associated families and communities can thrive and to strive towards excellence in health, safety, security and environment while making significant contributions to the profitability of the company.

Mining, metal and fertiliser production have inherent Health Safety and Environment risks that could result in serious personal injuries, casualties, operational disruptions and other operational and financial losses.

Ma'aden seeks to mitigate these risks through an integrated Health Safety and Environment system at all locations using internationally recognised standards, policies and procedures. We have a system of Group-wide monthly Health Safety and Environment reporting and all incidents are reviewed with the goal of drawing lessons and preventing recurrence.

Liquidity

Ma'aden's ability to meet its operating costs and make scheduled payments of the principal and commission on its debts depends on the future performance of the Company. This is subject to economic, financial, competitive and other factors not fully under its control. We may not continue to generate sufficient cash flow from operations in the future to service the debt and make necessary capital expenditures.

In order to enhance liquidity, Ma'aden has centralised treasury functions to optimise the use of cash generated by the businesses. In addition, Ma'aden has access to a significant revolving line of credit in order to meet short term cash needs if required.

Cost of Funding

Cost of funding has been at historic lows in recent years. There can be no assurance that this situation will continue. Any increase in funding costs would have a negative impact on our profitability and cash flows.

Ma'aden seeks to ensure that its debt facilities are of an appropriate size and structure for the business and regularly monitors changes in the costs of funding. We may also seek to increase the portion of our debt that is at a fixed cost including potentially entering into derivative transactions to hedge floating rate exposures if we conclude that it is appropriate.

Environmental Incidents

Exploration, mining and operational activities are subject to various environmental regulations administered by the Royal Commission for Jubail and Yanbu and the Commission for Jubail and Yanbu and the Presidency Meteorology and Environment. These concern the maintenance of air and water quality standards and land reclamation rules. They also set out limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

Environmental legislation may change resulting in stricter standards and enforcement. This could result in increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for **Ma'aden**, its management and employees.

Ma'aden's EHSS department monitors both our operations' compliance with EHSS standards and environmental regulations.

Capabilities and Skills Shortage

The availability of skilled manpower remains one of the key long-term challenges of Ma'aden, considering that the country does not have a work force specially trained in mining-related vocations. Our ability to attract, develop and retain top talent is key to addressing future succession challenges.

Ma'aden has been working closely with the country's education and training institutions to attract and develop young Saudi nationals for future roles in the industry. Through **Ma'aden's** Academy, we have been focusing on in-house talent development and training to develop staff and prepare them for leadership roles.

Changes in Business Environment

Our operational results or financial position could be adversely affected by new or more stringent laws, regulatory requirements, interpretations or outcomes of any significant legal proceedings that may occur in the future.

Ma'aden actively monitors actual and potential changes in the laws and regulations so that we can address and manage the impact of those changes.

Exploration Licences

Ma'aden is reliant on acquiring and maintaining exploration licences in order to replenish its ore reserves and mineral resources and meet future growth plans. Failure to meet commitments on existing licences could result in suspension or revocation of those. Additional competition in the mining sector within Saudi Arabia could result in challenges to acquire fresh acreage at an economic price.

Ma'aden periodically reviews its commitment requirements and has applied for new licences in order to sustain exploration activities to support business growth. Alternative strategies such as acquisitions can also be employed to mitigate any potential shortfall.

Water Supplies

Water is a scarce resource in Saudi Arabia with many competing uses. Mining requires access to reliable sources of water in order to process the minerals that are extracted. Any limitation in the supply of water or increased cost to **Ma'aden** for water supplied will have an adverse impact on production and costs.

Ma'aden has invested in a water pipeline to reuse wastewater for some of its gold mining operations and has extraction licences for wellfields near its northern operations. Ras Al-Khair plants are located next to a world scale desalination plant.



Grade Erosion and Depletion

During the life of a mine the quality (grade) of the ore can vary substantially while the extraction cost can increase if there is a higher amount of overburden to remove. Until the ore is actually mined the exact grade of the ore is not known and it may vary from the original mining plan. This can result in lower amounts of recovery at a higher cost, affecting the overall profitability of the mine and the downstream processing operations.

Ma'aden conducts extensive pre-mining testing and sampling of the ore body to determine the likely nature and disposition of the ore throughout the projected life of the mine and generally estimates its reserves in line with the standards of Joint Ore Reserve Code (JORC).

Social Licence to Operate

Saudi Arabia is a sparsely populated country and our mines are mostly located away from large centres of population. However, there are communities around our mines and plants and it is important for Ma'aden to secure the consent and support of local communities. Though there are no risks of displacement with current projects and those under consideration, local communities may be affected by the presence of our industrial operations, triggering complaints from them.

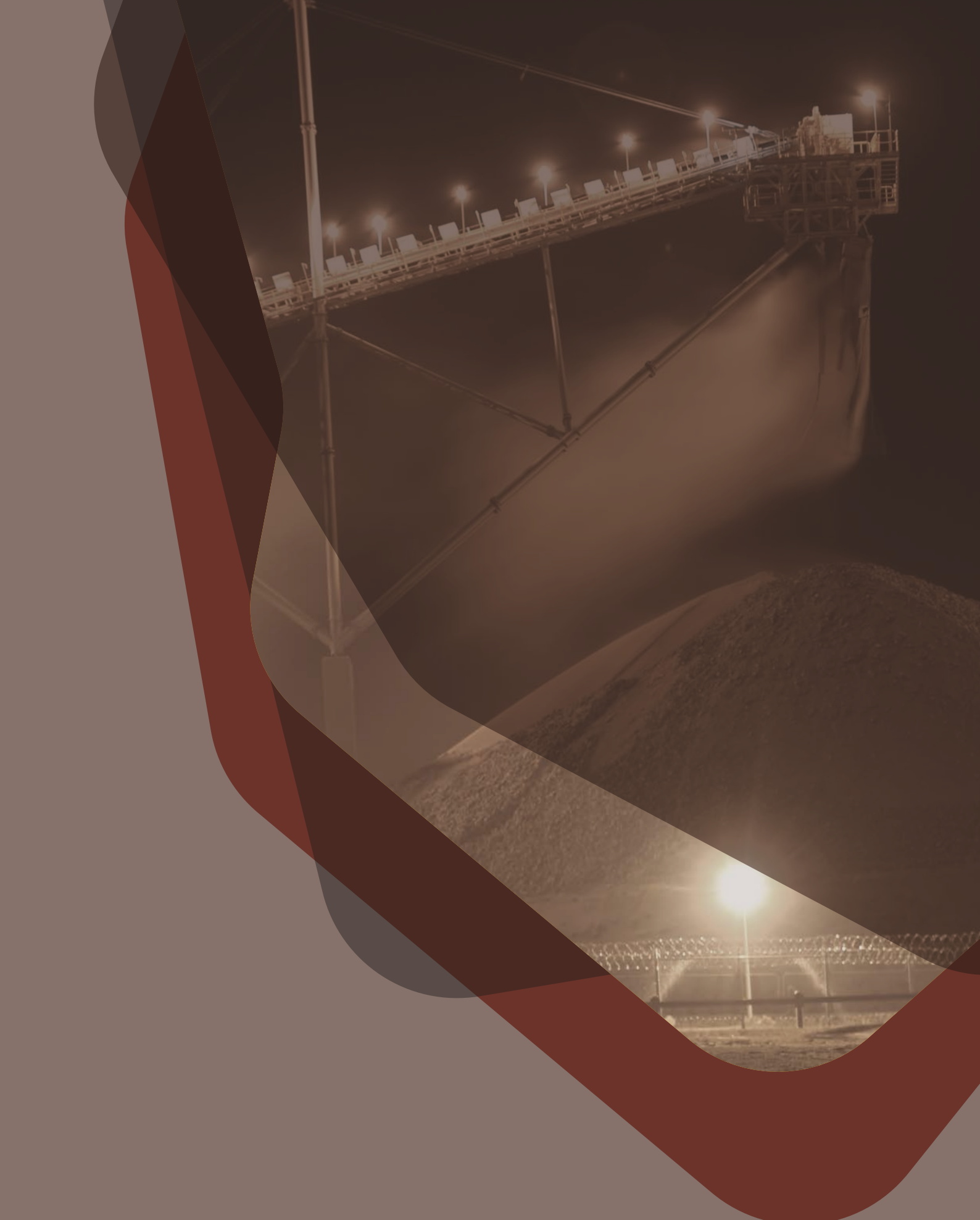
Ma'aden maintains strong and positive relationships with local communities. Our subsidiaries have adopted a number of social responsibility Programmes that focus mainly on education and employment, community development and empowering local people in different ways.

Currency Fluctuations

Ma'aden's domestic costs are primarily denominated in Saudi Riyal (SAR) with the majority of its capital machinery denominated in US dollar (USD). As the exchange rate of SAR and USD is fixed, there is limited exposure as the majority of our sales are also conducted in USD. The currency is pegged at SAR 3.75: USD1.







Ma'aden
Annual Report
2019

Consolidated Financial Statements:

**Earth's Hard-Core
Liquidity**

Higher Prices and Increased Production Delivered Record Achievements

We are celebrating a year of record all-round achievements in 2018, led by a 186 percent increase in net profit, 17 percent increase in sales, 23 percent increase in EBITDA and 3 percent increase in assets.

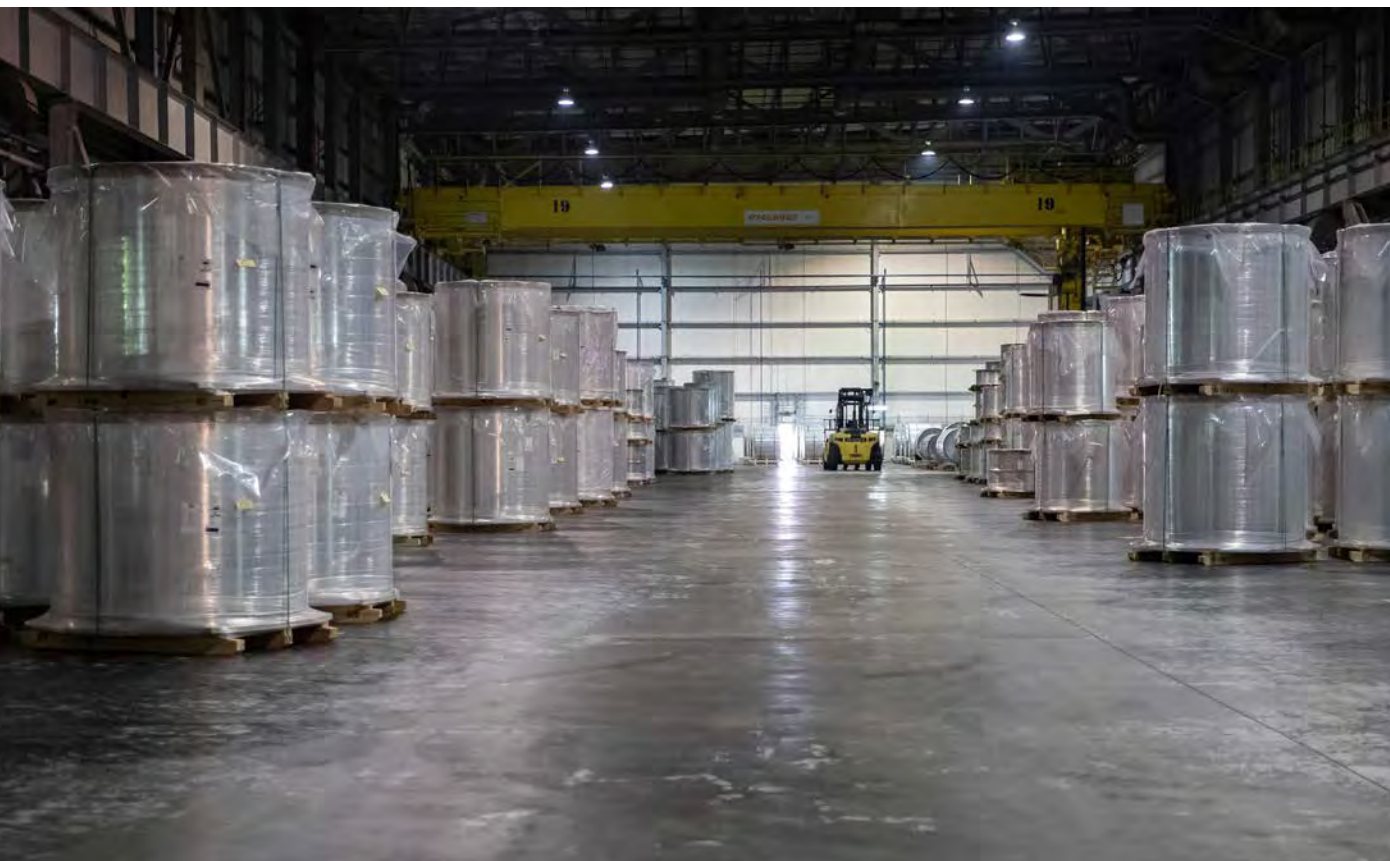
There is no doubt that higher commodity prices were a key factor driving this strong performance, but our continued emphasis on operational, capital and commercial excellence also contributed significantly.

The growth in production is a good example of how excellence is leading to better results. The increase in output achieved by our core industries -- ammonia phosphate fertiliser, ammonia, Aluminium and gold -- is attributed to newly commissioned plants and the enhanced performance of existing assets. Our success in achieving such enhancements throughout the Group is a key underlying message in the past year's financial results.

Commodity prices

Commodity prices in 2019 were reasonably strong in comparison with recent years. However, they cannot be described as extremely bullish and we will continue to consider the outlook for 2019 uncertain from that perspective. The past year's performance shows that even a modest improvement in the price situation delivers vastly improved financial performance for **Ma'aden**.

The outlook for 2019 is uncertain primarily because of the global economic outlook. Growth seems to be faltering in a number of key markets and we need to bear in mind that some of our commodities, particularly Aluminium and copper, are particularly vulnerable to slowdowns in economic activity. However, this does not deter us from investing in further growth opportunities envisaged under our 2025 strategy.



EBITDA

Markets in 2018 were consistently higher compared with 2017, but our analysis shows that there was considerable volatility in the second and third quarters, particularly in alumina, while the first and fourth quarters were stable. Our EBITDA margins fell when prices dropped, underlining our leverage to commodity markets.

Nevertheless, we believe that our performance of 51 percent EBITDA margin is very strong for a commodity company. The composition of our EBITDA shows that **Ma'aden's** multi-commodity status is well balanced to address market volatilities to some extent. Phosphate contributes 44 percent, Aluminium 43 percent and gold 13 percent of the EBITDA.

Cash and debt

Our debt-to-capital ratio came down in 2018 from 2017. Long-term borrowing increased in 2018 mainly because of our SAR 2.2 billion debt agreement with Saudi Industrial Development Fund (SIDF) for Wa'ad Al-Shamal. We have received the fund in November 2018. We expect our quarterly repayments to peak by 2025 and decline from then until 2031.

Depreciation and finance cost, particularly from Wa'ad Al-Shamal which is a very large investment, will have an impact on earnings in 2019.

The data tables presented over the following pages provide more detailed and comprehensive information about our financial performance in 2018.

Phosphate and industrial minerals

Ammonium phosphate fertiliser sales

Ammonia phosphate fertiliser sales representing 34 percent of the total consolidated sales for 2018 increased by 32 percent (SAR 1,145 million) due an increase in average realised price by USD 62/mt (price effect of SAR 700 million) and also an increase volume sold by 318 Kmt (volume effect of SAR 445 million). The increase in volume sold is partially due to the commencement of commercial production and sales of ammonia phosphate fertiliser in MWSPC on December 02, 2018 (volume effect of SAR 177 million for one-month commercial sales).

Ammonia sales

Ammonia sales representing 11 percent of the total consolidated sales for 2018 decreased by 7 percent (SAR 117 million) due to decrease in quantity sold by 310 Kmt (volume effect of SAR 320 million) resulting from the commencement of commercial production and sales of ammonia phosphate fertiliser in MWSPC on 2 December 2018. However, the effect of decrease in volume sold is partially offset by an increase in average realised prices by USD 41/mt (price effect of SAR 203 million).

Industrial minerals sales

Industrial mineral sales increased during the year by SAR 36 million due to the effect of an increase in average realised prices of SAR 31 million and also the effect of an increase in volume sold of SAR 5 million.

Aluminium

Primary Aluminium

Primary Aluminium sales representing 35 percent of the total consolidated sales for 2018 slightly decreased (SAR 38 million) due to the decrease in volume sold by 60 Kmt (volume effect of SAR 457 million) partially offset by an increase in average realised price by USD 189/mt (price effect of SAR 419 million).

Alumina sales

Alumina sales increased during the year by SAR 498 million due to an increase in volume sold by 280 Kmt (volume effect of SAR 362 million) and also an increase in average realised price by USD 116/mt (price effect of SAR 136 million).

Flat rolled products sales

Consolidated sales for the Group increased by SAR 178 million during 2018 resulting from the commencement of commercial production and sales of flat rolled products by MRC on December 09, 2018.



Contents

Administration and contact details	167	- Annual Improvements to IFRS Standards 2015 - 2017	218
Volatile Markets Impact Short-Term Financial Performance	168	- Amendments to IAS 19 - Employee benefits on plan amendment, curtailment or settlement	
CFO's review of financial statements	170	- International Financial Reporting Standards Interpretations Committee ("IFRS IC") 23 - Uncertainty over income tax treatments	
Geographical sales breakdown between international and domestic sales	174		
Consolidated statement of cash flows for the year ended 31 December 2019.	188	- Former operating lease	219
Financial Statement	190	- Former finance leases	
Independent auditor's report to the shareholders of Saudi Arabian Mining Company (Ma'aden)	191	- Consolidated statement of financial position as at 1 January 2019	220
Impairment assessment of property, plant and equipment, mine properties, capital work-in-progress and finite-lived intangible assets	193	- Consolidated statement of cash flows for the year ended 31 December 2019	
Accounting for the acquisition of Meridian Group, and impairment assessment of carrying value of resultant	195	- Subsidiaries	221
Adoption of IFRS 16 "Leases"	197	- Joint ventures	
Responsibilities of management and those charged with governance for the consolidated financial statements	199	- Sales of phosphate fertilizer, ammonia and industrial minerals	222
- Statement of compliance	218	- Sale of alumina, primary aluminium products and flat rolled products	
- Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest rate benchmark reform		- Sale of gold bullion and concentrates	223
- Transition from LIBOR to risk free rates		- Exploration and evaluation assets	224
- Amendment to IFRS 9, Financial instruments', on modification of financial liabilities		- Stripping activity asset and stripping activity expense	225
		- Lease liabilities	226
		- Right-of-use assets (RoU)	
		- Finished goods	228
		- Work-in-process	229
		- Ore stockpiles	
		- Spares and consumables	
		- Raw materials	
		- Trade receivables	
		- Employees' home ownership program receivable	

- Interest rate swap contracts	230	- Mine decommissioning obligation	240
- Forward exchange contracts		- Allowances for obsolete and slow moving spare parts	
- Commodity contracts		- Non-controlling interest put options	
- Provisional price contracts		- Contingencies	
-Financial assets			
- Initial recognition of financial assets		- Initial recognition at cost	260
- Classification of financial assets		- Exploration and evaluation asset	
		- Mines under construction	
- Derecognition of financial assets	231	- Mine closure and rehabilitation provision	
- Financial liabilities		- Operating mines	
		- Stripping activity asset	
- Employees' savings plan program	233	- Mining capital work-in-progress	
- Other short-term obligations			
- Employees' home ownership program		- Depreciation and impairment	261
- Housing project		- Exploration and evaluation assets	
- Home loan		- Mines under construction	
- HOP furniture loan		- Mine closure and rehabilitation provision, operating mines and stripping activity asset	
- Employees' end-of-service termination benefits obligation		- Mining capital work-in-progress	
- Companies with only Saudi shareholders	234	- Impairment of rolling mill CGU	264
- Mix companies with foreign shareholders		- Impairment of automotive sheet CGU	265
		- Impairment of MWSPC CGU	
- Impairment testing of goodwill	238		
- Economic useful lives of mine properties, property, plant and equipment		- Impairment of automotive sheet project in Ma'aden Corporate (continued)	268
- Impairment and the reversal of impairment of tangible assets			
- Identification of CGUs		- MAC facility	300
- Right-of-use assets and lease liabilities		- MRC facility	
- Zakat and income tax		- MBAC facility	
		- MWSPC facility	301
- Exploration and evaluation expenditure	239	- MGBM facility	302
- Stripping costs			
- Commercial production start date		- MIP facility	303
- Mineral resource and ore reserve estimates		- MPC facility	





Commercial registration number

1010164391

Directors

H.E. Yaser Bin Othman Al-Rumayyan	Chairman (Appointed on 28 September 2019)
H.E. Engr. Khalid Bin Abdulaziz Al-Faleh	Chairman (Resigned on 27 September 2019)
H.E. Sulaiman Bin Abdulrahman Al-Gwaiz	Vice chairman
H.E. Engr. Abdullah Bin Ibrahim Al-Saadon	
H.E. Engr. Khalid Bin Saleh Al-Mudaifer	
Engr. Abdullah Bin Mohammed Al-Issa	
Ms. Lubna Bint Suliman Al-Olayan	
Engr. Azzam Bin Yaser Shalabi	(Resigned on 19 December 2019)
Dr. Klaus Christian Kleinfeld	
Mr. Richard O'Brien	

Registered address

Building number 395
Abi Bakr Asseddiq Road, South
Exit 6, North Ring Road
Riyadh 11537
Kingdom of Saudi Arabia

Postal address

P.O. Box 68861
Riyadh 11537
Kingdom of Saudi Arabia

Banker

The Saudi British Bank (SABB)

Auditors

PricewaterhouseCoopers
Kingdom Tower - 21st Floor
King Fahad Road
Riyadh 11414
Kingdom of Saudi Arabia



Volatile Markets Impact Short- Term Financial Performance

Our performance in 2019 was impacted by reduced commodity prices, a reversal of growth in a number of key global markets and the restructuring of some of our operations to meet our long-term focus on operational, capital and commercial excellence.

Overall, we experienced a 25 percent increase in sales revenue, a 168 percent decrease in net profit, 22 percent decrease in EBITDA and 0.5 percent decrease in assets, but we remain optimistic as investments in new markets and across our supply chain will begin generating profits in the new decade.

Commodity prices

The outlook for 2020 is uncertain, as prices continued to drop throughout the year and some of our commodities, such as aluminium and copper, are more vulnerable to broader global economic conditions. Despite a challenging global context, as a multicommodity, mine-to-market mining company with more resilient commodities such as gold and phosphate fertilizer products in our portfolio, we have the benefit of financial resilience that enables us to continue to invest in growth opportunities.

We know that we can make a significant impact on our financial performance through strategic operational adjustments, so as the commodity market begins to stabilize again, we will be well placed to reap the benefits of our investments.

EBITDA

The market volatility we started seeing at the end of 2018 carried through 2019 and impacted our EBITDA margin, which dropped to 31 percent due to low commodity prices, especially alumina. Our EBITDA margin fell because of the decline in commodity prices underlying our leverage to commodity market.

Nevertheless, we believe that an EBITDA margin of 31 percent is still a strong performance for a commodity company. The composition of our EBITDA shows that Ma'aden's multicommodity status is well balanced to address market volatilities to some extent.

Phosphate contributes 44 percent, Aluminium 39 percent and gold 17 percent of the Group EBITDA.

Cash and debt

Our debt-to-capital ratio came down in 2019 from 2018. Total borrowings decreased by SAR 4,973 million in 2019 as result of drawdowns amounting to SAR 2,162 million reduced by repayments of SAR 4,293 million and the conversion of SAR 2,986 million PIF loan to equity, which increased our capital by 5.32 percent, to SAR 12.3 billion.

We expect our annual repayments to peak by 2025 due to repayment of Sukuk and generally decline from then until 2035.

Depreciation and finance cost, particularly from Wa'ad Al-Shamal Phosphate Company being a very large investment, will continue to have an impact on earnings in 2020.

Sales

The growth in total consolidated sales revenue of our operations was driven mainly by the effect of increase in sales volume of phosphate fertilizer driven by inclusion of Meridian sales and flat rolled products driven by commercial operations of Ma'aden Rolling Company, despite a decrease in average realized prices of all products except gold.

Aluminium sales

Aluminium sales representing 23 percent of the total consolidated sales for 2019 decreased (SAR 946 million) due to decrease in volume sold by 31 Kmt (volume effect of SAR 260 million) and also a decrease in average realized price by USD 326/mt (price effect of SAR 686 million).



Alumina sales

Alumina sales decreased during the year by SAR 83 million due to a decrease in average realized prices USD 126/mt (price effect of SAR 172 million). The decrease in average realized price is partially off-set by the increase in volume sold by 51 Kmt (volume effect of SAR 89 million).

Flat rolled products sales

Flat rolled products sales representing 17 percent of the total consolidated sales for 2019 increased by SAR 2,760 million driven by the commencement of commercial production and sales of flat rolled products by MRC on 9 December 2018.

Ammonium phosphate fertilizer sales

Ammonium phosphate fertilizer sales representing 38 percent of the total consolidated sales for 2019 increased by 42 percent (SAR 2004 million) due an increase in volume sold by 1,958 Kmt (volume effect of SAR 2,779 million) which is partially off-set by the decrease in average realized prices by USD 75/mt (price effect of SAR 775 million). The increase in volume sold is partially due to the inclusion of Meridian sales acquired by Ma'aden on 8 August 2019 and is a leading fertilizer distribution company operating in East Africa.

Gold sales

Gold sales representing 12 percent of the total consolidated sales for 2019 increased by 6 percent (SAR 110 million) due to an increase in average realized prices by USD 149/oz (price effect of SAR 220 million). The increase in average realized price is partially off-set by the decrease in volume sold by USD 23 Koz (volume effect of SAR 110 million).

Ammonia sales

Ammonia sales representing 7 percent of the total consolidated sales for 2019 decreased by 22 percent (SAR 352 million) due to decrease in quantity sold by 59 Kmt (volume effect of SAR 55 million) and a decrease in average realized prices by USD 58/mt (price effect of SAR 297 million).

Industrial minerals sales

Industrial mineral sales slightly decreased during the year by SAR 11 million due to the effect of decrease in average realized prices of SAR 15 million partially off-set by the effect of an increase in volume sold of SAR 4 million.



CFO's review of financial statements

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019

	Explanatory notes
(in SAR millions)	
Sales	1
Cost of sales	2
Gross profit	
Operating expenses	
Selling, marketing and logistic expenses	3
General and administrative expenses	4
Exploration and technical services expenses	5
Impairment / (reversal of impairment) of non-current assets, net	6
Operating income	
Income from time deposits	7
Finance cost	8
Other (expenses) / income, net	9
Share in net income of joint venture that have been equity accounted	10
Income before zakat	
Income tax	
Zakat expense	
Profit for the year	
Other comprehensive loss	
<i>Items that may be reclassified to profit or loss in subsequent years</i>	
Cash flow hedge – effective portion of changes in fair value	
<i>Items that will not be reclassified to profit or loss in subsequent years</i>	
Share in other comprehensive loss of a joint venture that has been equity accounted	
Loss attributable to the re-measurements of employees' end of service termination benefits obligation	
Loss on exchange differences on translation	
Other comprehensive loss for the year	
Total comprehensive (loss) / income for the year	
(Loss) / profit for the year is attributable to:	
Ordinary shareholders of the parent company	
Non-controlling interest	
Basic and diluted earnings per share (SAR)	11
Weighted average number of ordinary shares in issue during the year (in millions)	
Gross profit percentage	
EBIT	
EBIT margin	
EBITDA	12
EBITDA margin	
(Loss) / profit percentage	

The table above discloses the movement on a year-on-year (y-o-y) basis and only those movements that are significant in monetary terms



2019	2018	Variance	y-o-y %
17,736	14,171	3,565	25
(15,432)	(9,284)	(6,148)	66
2,304	4,887	(2,583)	(53)
(641)	(351)	(290)	83
(562)	(463)	(99)	21
(180)	(95)	(85)	89
(35)	46	(81)	(176)
886	4,024	(3,138)	(78)
205	124	81	65
(2,401)	(1,753)	(648)	37
87	(3)	90	(100)
112	143	(31)	(22)
(1,111)	2,535	(3,646)	(144)
(168)	(73)	(95)	130
(249)	(216)	(33)	15
(1,528)	2,246	(3,774)	(168)
(199)	(27)	(172)	100
(1)	-	(1)	-
-	(24)	24	(100)
(29)	-	(29)	-
(229)	(51)	(178)	349
(1,757)	2,195	(3,952)	(180)
(739)	1,848	(2,587)	(140)
(789)	398	(1,187)	(298)
(1,528)	2,246	(3,774)	(168)
(0.62)	1.58	0.97	159
1,178	1,168		
%13	%34		
921	3,977	(3,056)	(77)
%5	%28		
5,557	7,170	(1,613)	(22)
31%	%51		
9%	16%		

are being analyzed and discussed in the corresponding explanatory notes in the audited financial statements.



1. Sales

Components of sales

2019		
		%
(in millions)		
Phosphate fertilizer and ammonia	8,031	45
Primary aluminium	4,008	23
Alumina	454	3
Flat rolled products	2,938	16
Gold	2,086	12
Industrial minerals	135	1
Others	84	-
Total sales	17,736	100

The total consolidated sales revenue increased in 2019 by SAR 3,565 million (25 percent) driven mainly by the effect of increase in sales volume of phosphate fertilizer driven by inclusion of Meridian sales and flat rolled products driven by commercial operations of Ma'aden Rolling Company amounting to SAR 5,290 million despite a decrease in average realized prices of all products except gold amounting to SAR 1,725 million. Following is the product wise analysis of the price and volume impact on Group's sales:

- increase in sales volume of phosphate fertilizer (1,958 Kmt), flat rolled products (277 Kmt), alumina (51 Kmt) and industrial minerals (213 Kmt)
- increase in average realized prices of gold (USD 149/oz)
-

Partially offset by:

- decrease in average realized prices of phosphate fertilizer (USD 75/mt), ammonia (USD 58/mt), aluminium (USD 326/mt) and alumina (USD 126/mt)
- decrease in sales volume of ammonia (59 Kmt), aluminium (31 Kmt) and gold (23 Koz)



2018		Variance	
%			y-o-y %
6,380	45	1,651	26
4,954	35	(946)	(19)
537	4	(83)	(15)
178	1	2,760	100
1,976	14	110	6
146	1	(11)	(8)
-	-	84	100
14,171	100	3,565	25



Geographical sales breakdown between international and domestic sales

	2019		2018	
	SAR (millions)	Quantity (thousands)	SAR (millions)	Quantity (thousands)
International				
Aluminium (tonnes)	3,206	454	4,189	506
Alumina (tonnes)	454	362	537	311
Flat rolled products (tonnes)	2,486	2,486	154	15
DAP/MAP (tonnes)	6,780	5,084	4,776	3,126
Ammonia (tonnes)	1,251	1,291	1,603	1,350
Gold (ounces)	2,086	394	1,976	417
Industrial minerals (tonnes)	66	42	103	61
Others	84	-		
Domestic				
Aluminium (tonnes)	801	108	764	87
Flat rolled products (tonnes)	452	43	24	2
Industrial minerals (tonnes)	69	540	43	308
Infrastructure	1	-	2	-
Total sales	17,736	-	14,171	-

Aluminium sales

Aluminium sales representing 23 percent of the total consolidated sales for 2019 decreased (SAR 946 million) due to decrease in volume sold by 31 Kmt (volume effect of SAR 260 million) and also a decrease in average realized price by USD 326/mt (price effect of SAR 686 million).

Ammonium phosphate fertilizer sales

Ammonium phosphate fertilizer sales representing 38 percent of the total consolidated sales for 2019 increased by 42 percent (SAR 2004 million) due an increase in volume sold by 1,958 Kmt (volume effect



Variance				Countries
SAR (millions)	y-o-y %	Quantity (thousands)	y-o-y %	
(983)	(23)	(52)	(10)	Indian subcontinent, Asia-pacific, Brazil, GCC, MENA, Turkey, Lebanon, Egypt, Jordan, Vietnam, Europe, United Kingdom and North America
(83)	(15)	51	16	GCC
2,332	1,514	236	1,573	Asia-pacific, GCC, MENA, Vietnam, Egypt, Australia, Europe, United Kingdom and North America
2,004	42	1,958	63	India subcontinent, Brazil, Asia Pacific, MENA, Africa, Australia and Latin America
(352)	(22)	(59)	(4)	India subcontinent, Africa and Asia Pacific
110	6	(23)	(6)	Switzerland, Singapore
(37)	(36)	(19)	(31)	Indian subcontinent, Asia-pacific, Egypt, MENA, Europe, United Kingdom and North America
84	100			Africa
37	5	21	24	KSA
428	1,783	41	2,050	KSA
26	60	232	75	KSA
(1)	(50)	-	-	KSA
3,565	25	-	-	

of SAR 2,779 million) which is partially off-set by the decrease in average realized prices by USD 75/mt (price effect of SAR 775 million). The increase in volume sold is partially due to the inclusion of Meridian sales acquired by Ma'aden on 8 August 2019 and is a leading fertilizer distribution company operating in East Africa.



Gold sales by mine

Gold sales by mine		2019
Mine	Ounces	%
Mahd Ad-Dahab	23,425	6
Sukhaybarat	12,555	3
Bulghah	49,115	12
Al-Amar	26,387	7
As Suq	19,228	5
Ad Duwayhi	263,407	67
Total gold ounces sold	394,117	100

Gold sales representing 12 percent of the total consolidated sales for 2019 increased by 6 percent (SAR 110 million) due to an increase in average realized prices by USD 149/oz (price effect of SAR 220 million). The increase in average realized price is partially off-set by the decrease in volume sold by USD 23 Koz (volume effect of SAR 110 million).

Ammonia sales

Ammonia sales representing 7 percent of the total consolidated sales for 2019 decreased by 22 percent (SAR 352 million) due to decrease in quantity sold by 59 Kmt (volume effect of SAR 55 million) and a decrease in average realized prices by USD 58/mt (price effect of SAR 297 million).

Flat rolled products sales

Flat rolled products sales representing 17 percent of the total consolidated sales for 2019 increased by SAR 2,760 million driven by the commencement of commercial production and sales of flat rolled products by MRC on 9 December 2018.

Alumina sales

Alumina sales decreased during the year by SAR 83 million due to a decrease in average realized prices USD 126/mt (price effect of SAR 172 million). The decrease in average realized price is partially off-set by the increase in volume sold by 51 Kmt (volume effect of SAR 89 million).

Industrial minerals sales

Industrial mineral sales slightly decreased during the year by SAR 11 million due to the effect of decrease in average realized prices of SAR 15 million partially off-set by the effect of an increase in volume sold of SAR 4 million.



2018		Variance	
Ounces	%	Ounces	% y-o-y
31,227	7	(7,802)	(25)
15,704	4	(3,149)	(20)
36,972	9	12,143	33
31,377	7	(4,990)	(16)
27,536	7	(8,308)	(30)
274,519	66	(11,112)	(4)
417,335	100	(23,218)	(6)



2. Cost of sales

(In SAR millions)		2019
		%
Salaries and staff related benefits	1,615	10
Contracted services	1,264	8
Repairs and maintenance	295	2
Consumables	179	1
Overheads	811	5
Raw material and utilities consumed	6,877	45
Sale of by-products	(51)	-
Obsolete and slow moving spare parts and consumable materials written-off	-	-
Allowance for inventory obsolescence	-	-
Severance fees	122	1
Total cash operating costs	11,112	72
Depreciation of mine properties	812	5
Depreciation of property, plant and equipment	3,544	23
Depreciation of right-of-use assets	203	1
Amortisation of intangible assets	27	1
Total operating costs	15,698	102
Increase in inventory	(597)	(4)
Total cost of goods sold	15,101	98
Cost of rendering transportation services	331	2
Total	15,432	100

Cost of sales increased by SAR 6,148 million year-on-year driven by the recognition of full year cost of sales for MWSPC and MRC resulting from the commencement of commercial operations of MWSPC on 2 December 2018 and MRC on 9 December 2018.

Phosphate segment cost of sales

Phosphate segment cost of sales increased by SAR 3,216 million mainly due to the recognition of full year cost of MWSPC driven by the commencement of commercial production and sales on 2 December 2018 amounting to SAR 3,120 million and also due to the recognition of cost of sales for Meridian which was acquired on 8 August 2019 amounting to SAR 381 million. The increase in cost is partially off-set by the decrease in raw material cost mainly molten sulphur prices amounting to SAR 285 million.



2018		Variance	
	%		y-o-y %
1,117	12	498	45
760	8	504	66
129	1	166	129
192	2	(13)	(7)
717	8	94	13
3,644	39	3,233	89
(73)	-	22	(30)
1	-	(1)	(100)
46	1	(46)	(100)
124	1	(2)	(2)
6,657	72	4,455	67
626	7	186	30
2,491	27	1,053	42
-	-	203	100
25	-	2	8
9,799	106	5,899	60
(723)	(8)	126	(17)
9,076	98	6,025	66
208	2	123	59
9,284	100	6,148	66

Aluminium segment cost of sales

Aluminium segment cost of sales increased by SAR 2,853 million mainly due to the recognition of full year cost of MRC driven by the commencement of commercial production and sales on 2 December 2018 and automotive sheet which commenced commercial production and sales on 1 September 2019 amounting to SAR 2,689 million. Furthermore, the higher power cost by SAR 212 million partially off-set by the decrease in raw material cost mainly coke and pitch amounting to SAR 52 million contributed to the increase in cost of sales.



Gold produced by mine

Gold sales by mine		2019
Mine	Ounces	%
Mahd Ad-Dahab	27,154	7
Sukhaybarat	12,555	3
Bulghah	49,115	12
Al Amar	27,772	7
As Suq	19,228	5
Ad Duwayhi	263,408	66
Total gold ounces sold	399,232	100

3. Selling, marketing and logistic expenses

The increase of SAR 290 million (83 percent) was mainly due to the increase in marketing fee, freight and logistics driven by the commencement of commercial operations of MWSPC and MRC.

4. General and administrative expenses

The increase of SAR 99 million (21 percent) was mainly due to increase in consultancy cost in MGBM and Corporate and inclusion of Meridian general and administrative expenses which was acquired on 8 August 2019.

5. Exploration and technical services expenses

The increase of SAR 85 million (89 percent) was mainly caused by higher contracted services pertaining to higher drilling and sampling activities in MGBM.

6. Impairment / (reversal of impairment) of non-current assets. net

The impairment during the year of SAR 35 million compared to the reversal of impairment of SAR 46 million in previous represents the periodic effect resulting from the impairment during the year of SAR 33 million and SAR 2 million related to mining and non-mining capital work-in-progress. However, during the year ended 31 December 2018, impairment SAR 281 million was recorded related to automotive sheet project assets capitalized under capital work-in-progress based on the impairment testing performed as at 31 December 2018 off-set by the reversal of impairment of investment in a joint venture (SAMAPCO) amounting to SAR 346 million

Mining capital work-in-progress written-off
 Impairment of capital work-in-progress
 Reversal / (impairment) of investment in a joint venture

Total

7. Income from time deposits

The increase of SAR 81 million (65 percent) mainly resulted from investment of excess fund in short-term deposits by Ma'aden Corporate during the year ended 31 December 2019.

8. Finance cost

The increase of 648 million (37 percent) mainly resulted from the commencement of commercial operations of MWSPC amounting to SAR 609 million.



2018		Variance	
Ounces	%	Ounces	y-o-y %
29,904	7	(2,750)	(9)
15,704	4	(3,149)	(20)
36,972	9	12,143	33
30,331	7	(2,559)	(8)
27,536	7	(8,308)	(30)
274,519	66	(11,111)	(4)
414,966	100	(15,734)	(6)

9. Other (expenses) / income, net

The increase in other income of SAR 90 million mainly relates to the settlement of a legal claim from a contractor of SAR 47 million, adjustment to mine closure provision of SAR 10 million and other miscellaneous income of SAR 22 million.

10. Share in net income of joint venture that have been equity accounted

Share in net income of joint venture represents Ma'aden's share of 50 percent in the net income of Ma'aden Barrick Copper Company (MBCC), a joint venture between Ma'aden and Barrick Middle East PTY Limited. Share in net income decreased due to higher losses from SAMAPCO.

11. Basic and diluted earnings per share

The basic and diluted earnings per share is calculated by dividing the net income attributable to the shareholders of the parent company by the weighted average number of ordinary shares in issue during the financial year under review.

The weighted average number of ordinary shares for 2019 and 2018 total to 1,178,348,253 and 1,168,478,261 shares respectively.



12. EBITDA

	2019 SAR
(in millions)	
Operating profit for the year	886
Depreciation of mine properties*	812
Depreciation of property, plant and equipments*	3,578
Depreciation of right-of-use assets	204
Amortization of intangible assets*	42
(Reversal) / impairment of non-current assets, net	35
EBITDA	5,557

* Depreciation of mine properties, property, plant and equipment and right-of-use assets and amortization of Intangible assets does not tie in with Note 2 since this represents the total depreciation and amortization which includes depreciation and amortization charged to cost of sales, general and administrative expenses and exploration and technical services expenses.



2018 SAR	Variance	
	SAR	y-o-y %
4,024	(3,138)	(78)
626	186	30
2,529	1,049	41
-	204	100
37	5	14
(46)	81	(176)
7,170	(1,613)	(22)



Consolidated statement of financial position as at 31 December 2019

(in SAR millions)	Explanatory notes
Non-current assets	
Mine properties	
Property, plant and equipment	13
Right-of-use assets	14
Capital work-in-progress	15
Intangible assets	
Investment in joint venture	16
Deferred tax assets	
Long-term investment	
Other non-current assets	
Current assets	17
Total assets	
Equity attributable to shareholders of the parent company	
Non-controlling interest	
Total equity	
Non-current liabilities	
Other non-current liabilities	18
Long-term borrowings	19
Current liabilities	
Total liabilities	
Total liabilities and equity	

13. Property, plant and equipment

The decrease of SAR 1,986 million is mainly attributed to addition and transfer of assets from capital work-in-progress of SAR 1,416 million and net book value of assets acquired through business combination related to Meridian of SAR 175 million reduced by the depreciation charge for the year of SAR 3,577 million and an adjustment of net book value of SAR 4 million.

During the year addition and transfer of assets from capital work-in-progress of SAR 1,416 million mainly comprise of:

- MWSPC contributed an increase of SAR 162 million relating mainly to fixed plant and civil works.
- MRC contributed an increase of SAR 730 million relating to fixed plant and building.
- MPC contributed an increase of SAR 197 million relating mainly to fixed plant.
- MAC contributed an increase of SAR 266 million relating mainly to fixed plant, civil works, mobile workshop and other equipments.
- Meridian contributed an increase of SAR 38 million relating mainly to fixed plant, building, office and other equipments.



2019	2018	Variance	y-o-y %
10,045	10,045	-	-
64,496	66,482	(1,986)	(3)
1,417	-	1,417	100
2,748	2,197	551	25
356	340	16	5
1,117	1,424	(307)	(22)
639	598	41	7
38	43	(5)	(12)
999	1,079	(80)	(7)
81,855	82,208	(353)	-
15,803	15,930	(127)	(1)
97,658	98,138	(480)	-
30,656	27,903	2,753	10
7,737	8,791	(1,054)	(12)
38,393	36,694	1,699	5
3,548	2,143	1,405	66
47,157	51,404	(4,247)	(8)
50,705	53,547	(2,842)	(5)
8,560	7,897	663	8
59,265	61,444	(2,179)	(4)
97,658	98,138	(480)	-

- MBAC contributed an increase of SAR 10 million relating mainly to mobile workshop and other equipments.
- Remaining increase of SAR 13 million was mainly accounted for by IMC and Corporate pertaining to fixed plant and other equipments.

14. Right-of-use assets

The adoption of IFRS 16 effective from 1 January 2019 has resulted in the recognition of right-of-use assets. The Group, as a lessee, had a significant portfolio of operating leases that were all off-balance sheet under IAS 17, these leases are now recognized on-balance sheet under IFRS 16.



15. Capital work-in-progress

During the year the following movements occurred in capital work-in-progress:

- SAR 1,800 million additions, of which SAR 1,270 million was attributed to phosphate segment pertaining mainly to MWSPC and ammonia 3 project, SAR 534 million to aluminum companies.
- SAR 11 million additions pertaining to assets acquired through business combination of Meridian on 8 August 2020.
- SAR 1,242 million was transferred from capital work-in-progress to plant and equipment mainly due to the commencement of commercial operation of automotive sheet on 1 September 2019 amounting to SAR 756 million.
- SAR 16 million transferred to intangible assets mainly pertaining to Corporate.
- SAR 2 million reduction pertaining to write-off as assets in MGBM.

16. Investment in joint ventures

During the year the following movements occurred in investment in joint ventures :

- Decrease of SAR 151 million investment in MBCC attributed to SAR 188 million addition pertaining to the share of net profit for the year decreased by the settlement of additional contribution of SAR 339 million.
- Decrease of SAR 156 million investment in SAMAPCO attributed to SAR 77 million decrease pertaining to the share of net loss for the year and also the settlement of additional contribution of SAR 79 million.

Borrowing company	2019 SAR
Saudi Arabian Mining Company Ma'aden	-
Ma'aden Gold and Base Metals Company (MGBM)	1,041
Ma'aden Infrastructure Company	805
Ma'aden Aluminium Company	10,958
Ma'aden Rolling Company*	4,796
Ma'aden Bauxite and Alumina Company	8,091
Ma'aden Phosphate Company	9,402
Wa'ad Al Shamal Phosphate Company	20,279
Meridian	-
Total	55,372

*In pursuant to "Transfer and Termination Agreement" signed on 26 June 2019, Ma'aden replaced PIF as provider of loan to MRC. At the same time on 26 June 2019, another "Loan Agreement" was signed between Ma'aden and PIF where it was resolved that SAR 2,986,387,500 is deemed to have been advanced to Ma'aden by PIF and is payable on demand.



17. Current assets

Current assets decreased by SAR 127 million in 2019 and comprises mainly of the following:

- Time deposits and cash and cash equivalents in 2019 were SAR 6,791 million compared to SAR 8,950 million in 2018 (a decrease of SAR 2,158 million) attributed mainly to the net repayment of loan amounting to SAR 2,514.
- Trade and other receivables in 2019 were SAR 2,995 million compared to SAR 2,436 million in 2018 (an increase of SAR 559 million) attributed mainly to the trade and other receivables of Meridian of SAR 304 million and also an increase in trade receivables of MRC and MWSPC due to commencement of commercial operation in December 2018.
- Inventories in 2019 were SAR 5,759 million compared to SAR 4,312 million in 2018 (an increase of SAR 1,447 million) mainly resulting from an increase in saleable inventory of SAR 1,091 million pertaining to Meridian of SAR 553 million and also an increase in inventory of MWSPC and MRC due to commencement of commercial operation in December 2018. Also the increase in raw material inventory of MRC contributed to higher inventory as at the year end.
- Advances and prepayments in 2019 were SAR 252 million compared to SAR 191 million in 2018 (an increase of SAR 61 million) attributed mainly to the advances to contractors by MBAC.

18. Other non-current liabilities

Other non-current liabilities increased by SAR 1,405 mainly due to the increase in lease liabilities of SAR 1,122 resulting from the adoption of IFRS 16 effective from 1 January 2019 and also an increase in derivative financial instruments by SAR 208 contributed to higher non-current liabilities as the year end.

19. Long term borrowings

Total borrowings (including current portion) decreased by SAR 4,973 million as result of drawdowns amounting to SAR 2,162 million reduced by repayments of SAR 4,293 and PIF loan converted to equity of SAR 2,986 million. Also the net movement in transaction cost of SAR 144 million contributed to the decrease of long-term borrowings.

2018 SAR	Variance	
	SAR	y-o-y %
-	-	-
-	(185)	856
-	(78)	727
-	-	10,958
1,313	(4,521)	1,588
347	(486)	7,952
-	(738)	8,664
95	(1,271)	19,103
407	-	407
2,162	(7,279)	50,255

In addition to the above, on 26 June 2019 a "Debt Conversion Agreement" has been signed between Ma'aden and PIF whereby Ma'aden wishes to increase its capital through the issuance of new shares for the purpose of settling the above mentioned loan. Subsequently this loan was converted into equity after obtaining all the regulatory approvals during the year.



Consolidated statement of cash flows for the year ended 31 December 2019.

(in millions)		2019
		SAR
Cash and cash equivalents at the beginning of the year - unrestricted		5,320
Net cash generated from operating activities		3,105
Net cash utilized in investing activities		(2,557)
Free cash flows		548
Net cash (utilized in) / generated from financing activities		(2,360)
Net change in cash and cash equivalents for the year		(1,812)
Cash and cash equivalents at the end of the year - unrestricted		3,508



2018 SAR	Variance	
	SAR	y-o-y %
4,282	(28)	(1)
3,979	962	32
(3,612)	359	(9)
367	1,321	(138)
671	(255)	(28)
1,038	1,066	(3,807)
5,320	1,038	24



Financial Statement

The following statement, which should be read in conjunction with the independent auditor's responsibilities stated in the independent auditor's report, set out on page 4 to 14, is made with a view to distinguish the responsibilities of management and those of the independent auditor in relation to the consolidated financial statements of Saudi Arabian Mining Company (**Ma'aden**) (the "Company") and its subsidiaries (the "Group").

Management is responsible for the preparation of the consolidated financial statements that present fairly the consolidated financial position of the Group as at 31 December 2019, its financial performance, changes in equity and cash flows for the year then ended, in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

In preparing the consolidated financial statements, management is responsible for:

- selecting suitable accounting policies and applying them consistently.
- making judgments and estimates that are reasonable and prudent.
- stating whether IFRS and other standards and pronouncements that are issued by the Saudi Organization for Certified Public Accountants ("SOCPA"), as endorsed in the Kingdom of Saudi Arabia, have been followed, subject to any material departures disclosed and explained in the consolidated financial statements and preparing and presenting the consolidated financial statements on a going concern basis, unless it is inappropriate to presume that the Group and the companies will continue its business for the foreseeable future.

H.E. Engr. Abdullah Bin Ibrahim Al-Saadan

Authorized by the Board

Mr. Darren C. Davis

President and
Chief Executive Officer (A)

Mr. Khaled Al-Khattaf

SVP Finance and
Chief Financial Officer

Management is also responsible for:

- designing, implementing and maintaining an effective system of internal controls throughout the Group,
- maintaining statutory accounting records in compliance with local legislation and IFRS in the respective jurisdictions in which the Group operates,
- taking steps to safeguard the assets of the Group and detecting and preventing fraud and other irregularities.

The consolidated financial statements for the year ended 31 December 2019 set out on pages 15 to 319, were approved and authorized for issue by the Board of Directors on 30 January 2020 and signed on their behalf by:

5 Jumada Al-Akhirah 1441H
30 January 2020
Riyadh
Kingdom of Saudi Arabia





Independent auditor's report to the shareholders of Saudi Arabian Mining Company (Ma'aden)

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Saudi Arabian Mining Company (Ma'aden) (the "Company") and its subsidiaries (together the "Group") as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS"), that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants (SOCPA).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019
- The consolidated statement of financial position as at that date.
- The consolidated statement of changes in equity for the year then ended;
- The consolidated statement of cash flows for the year then ended.
- The notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 Group in accordance with the code of professional conduct and ethics, endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements





Independent auditor's report to the shareholders of Saudi Arabian Mining Company ("Ma'aden") (continued)

Our audit approach

Overview

Key audit matters

- Impairment assessment of property, plant and equipment, mine properties, capital work-in-progress and finite-lived intangible assets;
- Accounting for the acquisition of Meridian Consolidated Investment Company Limited and its subsidiaries (together the "Meridian Group"), and impairment assessment of the carrying value of the resultant goodwill; and
- Adoption of IFRS 16 "Leases".

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report to the shareholders of Saudi Arabian Mining Company ("Ma'aden") (continued)

Key audit matter

Impairment assessment of property, plant and equipment, mine properties, capital work-in-progress and finite-lived intangible assets

As at 31 December 2019, the Group has property, plant and equipment of Saudi Riyals 64,496,438,656, mine properties of Saudi Riyals 10,045,329,831, capital work-in-progress of Saudi Riyals 2,747,575,350 and finite-lived intangible assets of Saudi Riyals 174,120,189. As at 31 December 2019, property, plant and equipment and capital work-in-progress are stated net of an impairment loss amounting to Saudi Riyals 2,467,500,000 (31 December 2018: Saudi Riyals 2,467,500,000) and Saudi Riyals 836,250,000 (31 December 2018: Saudi Riyals 836,250,000), respectively.

At each reporting date, the Group reviews for impairment the carrying amount of these assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The determination of the recoverable amount, being the higher of value-in-use and fair value less costs of disposal, requires management to identify and then estimate the recoverable amount for the asset or the cash generating unit ("CGU") to which the asset belongs. Recoverable amounts, in case of value-in-use, are based on management's view of key internal value driver inputs as well as external market conditions such as future commodity prices as set out in the approved business plan. It also requires management to make estimates of growth rates beyond the approved business plan period and to determine the most appropriate discount rate.

How our audit addressed the Key audit matter

We performed the following procedures:

- Understood and evaluated the appropriateness of management's identification of the CGUs.
- Assessed management's identification of impairment indicators, as well as indicators of impairment reversal, including the conclusions reached. We also evaluated the design and implementation of key controls over the impairment assessment process comprising of impairment indicator identification and estimation of recoverable amounts.
- Evaluated the reasonableness of management's assumptions and estimates used to determine the recoverable amount of the CGUs where impairment indicators have been identified. This included:
 - (i) Assessing the methodology used by management to estimate the value-in-use by checking, on a sample basis, the accuracy and appropriateness of the input data in the discounted cash flow model to supporting documentation, such as the approved business plans. We considered the reasonableness of business plans by comparing the business plans to the historical results and the market data, particularly with respect to sales pricing, and comparing the current year's actual results with its forecast. We also discussed with management to understand the basis for the assumptions used in the business plans;



Independent auditor's report to the shareholders of Saudi Arabian Mining Company ("Ma'aden") (continued)

Key audit matter

Specific assets or the CGUs, to which the assets belong, where we focused our procedures included the following:

Ma'aden Rolling Company

Management determined that the recoverable amount was approximately equal to the carrying value resulting in no impairment loss or reversal of a previously recognized impairment loss to be recognized for the year ended 31 December 2019.

Ma'aden Wa'ad Al Shamal Phosphate Company

Management determined that the recoverable amount was approximately equal to the carrying value resulting in no impairment loss to be recognized for the year ended 31 December 2019.

We considered this as a key audit matter as the assessment of the recoverable amount of the asset or the CGU to which the asset belongs requires estimation and judgement primarily around production profiles, useful life of assets, commodity prices, future economic and market conditions, growth rates (including terminal growth rate) and discount rates.

Refer to Note 4.11 to the consolidated financial statements for the accounting policy relating to the impairment of these assets, Note 6.1 for the disclosure of significant accounting estimates and judgements and Note 19 for the disclosure of matters related to impairment of property, plant and equipment, mine properties and capital work-in-progress, plant and equipment, mine properties and capital work-in-progress.

How our audit addressed the Key audit matter

- (i) Assessing the appropriateness of the discounted cash flow projections in the calculation of the value-in-use, testing the reasonableness of key assumptions such as the future business growth, terminal growth rates and discount rates based on our knowledge of the business and industry by comparing the assumptions to historical results and published market and industry outlook data and other relevant information. Our internal valuation experts were engaged to assist us in the review of the methodology underlying the value-in-use calculations and to assess the reasonableness of discount rates and growth rates;
 - (ii) Testing management's discounted cash flow models used in the calculation of the value-in-use for mathematical accuracy and logical integrity of the underlying calculations; and
 - (iii) Performing sensitivity analysis over key assumptions in the calculation of the value-in-use in order to assess the potential impact of a range of possible outcomes.
- Assessed the adequacy and appropriateness of the related disclosures in the accompanying consolidated financial statements.



Independent auditor's report to the shareholders of Saudi Arabian Mining Company ("Ma'aden") (continued)

Key audit matter

Accounting for the acquisition of Meridian Group, and impairment assessment of carrying value of resultant goodwill

Ma'aden, through its wholly-owned subsidiary, Ma'aden Marketing and Distribution Company ("MMDC"), acquired a total stake of 85% in Meridian Group on 8 August 2019. Ma'aden paid a total purchase consideration of Saudi Riyals 436,856,535 to acquire the net assets with fair value of Saudi Riyals 328,662,007, at the acquisition date, resulting in the recognition of finite-lived intangible assets of Saudi Riyals 85,875,000 and goodwill of Saudi Riyals 159,465,843. Ma'aden completed the Purchase Price Allocation ("PPA") with the assistance of management's expert.

The accounting for acquisition is governed by IFRS 3 'Business Combinations' which requires management to exercise significant judgement in determining certain estimates. The most significant judgement in the initial accounting of an acquisition includes:

- Determining the fair value of the purchase consideration;
- Determination of the fair values of identifiable assets acquired and liabilities assumed;
- Identification of intangible assets; and
- Determination of goodwill arising on acquisition.

As part of the PPA exercise, fair values were attributed to certain identified intangible assets. The fair valuation of these intangibles was determined using financial models which contain certain significant assumptions, including discount rate, expected revenues and profit margins as per an agreed business plan. The remaining unallocated purchase price was accounted for as goodwill.

Further, a shareholders' agreement ("SA"), was signed on the acquisition date (8 August 2019), which gave the right of the non-controlling equity holders to put their remaining shareholding of 15% to the Group for acquisition from 2020 through 2023.

How our audit addressed the Key audit matter

Our procedures included the following:

- Reviewed the shares purchase agreement ("SPA") entered into for the acquisition of Meridian Group and tested the purchase consideration and cash payment of Saudi Riyals 436,856,535 made in accordance with the terms and conditions of SPA;
- Evaluated the competence, objectivity, and capabilities of management's expert based on their professional qualifications and experience and assessed their independence;
- Obtained and reviewed the PPA and tangible and intangible asset valuation reports prepared by management's expert;
- Involved our internal valuation experts for reviewing the PPA, including the methodology and assumptions used in the identification of intangible assets and in determination of fair values of identifiable assets acquired and liabilities assumed;
- Our internal valuation experts assisted us in testing the reasonableness of the relevant discount rate used in the PPA in valuation of intangible assets by reference to observable market data;
- We agreed certain key inputs used in the valuation of intangible assets, such as expected revenue and profit margins by reference to the historical operating and financial performance of Meridian Group;
- Our internal valuation experts assisted us in testing the methodology used for the valuation of the non-controlling interest put option liability recognised on the date of acquisition, and the significant assumptions of EBITDA multiple and discount rate used by the management's expert in such valuation; and
- Assessed the adequacy and appropriateness of the disclosures in the accompanying consolidated financial statements related to the acquisition of Meridian Group.



Independent auditor's report to the shareholders of Saudi Arabian Mining Company ("Ma'aden") (continued)

Key audit matter

Accordingly, a non-controlling interest put option liability of Saudi Riyals 78,900,805 was recognized on the date of acquisition. The valuation of these options was determined after considering certain significant assumptions including discount rate and EBITDA multiple for the years from 2020 through 2023.

In accordance with the International Accounting Standard 36 ("IAS 36"), "Impairment of assets", an entity is required to test goodwill acquired in a business combination for impairment at least annually irrespective of whether or not there is any indication of impairment.

Goodwill is monitored by management at the level of CGUs, which are the primary operating elements of the business concerned. Management carried out an impairment exercise in respect of goodwill allocated to Meridian Group by determining the recoverable amount based on value-in-use discounted cash flow model, which utilized the most recent five years business plan prepared by Meridian Group's management. The outcome of this exercise did not result in any impairment loss to be recognized.

We considered accounting for acquisition of Meridian Group (including determination of PPA and recognition of the put option liability) and impairment assessment of carrying value of Meridian Group goodwill as a key audit matter due to the following:

a) **Accounting for acquisition of Meridian Group**

The complexity of accounting for business combination and significant management assumptions in the (i) valuation of intangibles identified; (ii) determination of fair values of assets acquired and liabilities assumed; and (iii) determination of the non-controlling interest put option liability recognised.

How our audit addressed the Key audit matter

With respect to impairment assessment of the carrying value of Meridian Group goodwill, we performed the following procedures:

- Understood and evaluated the appropriateness of management's identification of the CGUs;
- Assessed the methodology used by management to determine the recoverable value of the goodwill based on the value-in-use method and compared it to the requirements of IAS 36;
- Tested the arithmetical accuracy and logical integrity of the underlying calculations in the model;
- Tested the accuracy and relevance of the input data by reference to supporting evidence, such as approved business plan, and considered the reasonableness of approved business plan by comparison to the Meridian Group's historical results and performance against budgets;
- Engaged our valuation experts to assist us in testing of the methodology of the value-in-use calculations and use of certain assumptions including discount rates and long-term growth rates;
- Performed sensitivity analyses over key assumptions, principally sales growth rate, terminal value multiple and discount rate, in order to assess the potential impact of a range of possible outcomes; and
- Assessed the adequacy and appropriateness of the disclosures in the accompanying consolidated financial statements related to the carrying value of Meridian Group goodwill.



Other information

Management is responsible for the other information. The other information comprises information included in the Group's 2019 annual report, but does not include the consolidated financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report. Management is responsible for the other information. The other information comprises information

Key audit matter

b) Impairment assessment of carrying value of Meridian Group goodwill

The assessment of the recoverable amount of goodwill under the value-in-use method is complex and requires considerable judgment on part of the management. The critical judgmental elements of management's assessment included:

- assumptions concerning the expected economic conditions, especially growth in the markets in which Meridian Group primarily operates; and
- discount rate and terminal value multiple used in the value-in-use cash flow model.

Refer to Notes 4.1 and 4.10 to the consolidated financial statements for the accounting policies relating to the business combinations and impairment of goodwill, respectively. Also refer to Note 6.1 for the disclosures of significant accounting estimates, assumptions and judgements made in applying the above accounting policies and Notes 5 and 22 for related disclosures.



Key audit matter

Adoption of IFRS 16 "Leases"

Effective 1 January 2019, the Group changed its accounting policies due to the mandatory application of IFRS 16 "Leases" which supersedes the requirements of IAS 17 "Leases".

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

Management used an external expert to assist in the compilation of a lease register,

How our audit addressed the Key audit matter

We performed the following procedures:

- Tested management's assessment of impact of adoption of IFRS 16 in terms of recognition, classification and measurement of its right-of-use assets and lease liabilities at 1 January 2019, and understood the approach taken towards such implementation;
- Evaluated the competence, objectivity, and capabilities of management's experts based on their professional qualifications and experience and assessed their independence;
- Tested completeness of the lease register by testing the reconciliation of the lease liabilities recognised at 1 January 2019 to the Group's operating lease commitments as at 31 December 2018, and by testing the



Independent auditor's report to the shareholders of Saudi Arabian Mining Company ("Ma'aden") (continued)

Key audit matter

assessment of all the contracts whether they met the definition of a lease, assessment of the lease terms related to the contracts which included termination or extension options and use of appropriate discount rate to determine the right-of-use assets and lease liabilities recognised on the adoption date.

The Group has adopted IFRS 16 from 1 January 2019, using the modified retrospective method, and has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in IFRS 16. As a policy choice, the Group has opted to recognise the right of use assets equal to the lease liabilities, due to which, no adjustment was required to be made against opening retained earnings as at the adoption date (1 January 2019). Accordingly, this resulted in recognition of right-of-use assets and lease liabilities of Saudi Riyals 1,292,480,071 as at 1 January 2019.

We considered this as a key audit matter as the assessment of the contracts within the scope of IFRS 16 may not be identified or appropriately included in the calculation of the transitional impact and determination of amounts underlying the right-of-use assets and corresponding lease liabilities involve significant management judgements and estimates relating to the lease term and discount rate.

Refer to Note 3 for the impact of the adoption of IFRS 16, Note 4.8 for the accounting policy and Notes 20 and 40 for the related disclosures in the accompanying consolidated financial statements.

How our audit addressed the Key audit matter

management's assessment of contracts, on a sample basis, for inclusion or exclusion of contracts from the lease register at the adoption date;

- Involved our subject matter specialists to assist us with the review of management assessment of whether or not a contract meets the definition of a lease for certain key contracts. Our subject matter specialists also assisted us with assessing the appropriateness of the significant assumptions and judgements related to lease terms used to determine the right-of-use assets and lease liabilities for such contracts and the appropriateness of the discount rate used in determining lease liabilities;
- Verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contracts and other supporting information, and tested the arithmetical accuracy of the amounts underlying the right-of-use assets and lease liabilities;
- Assessed the adequacy and appropriateness of the disclosures in the accompanying consolidated financial statements in relation to the adoption of IFRS 16.



included in the Group's 2019 annual report, but does not include the consolidated financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated 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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Group's 2019 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, 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 consolidated financial statements..

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
-



Independent auditor's report to the shareholders of Saudi Arabian Mining Company ("Ma'aden") (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those

matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers

Omar M. Al Sagga

License Number 369 | 30 January 2020





	Notes	Year ended 31 December 2019	Year ended 31 December 2018
Sales	8	17,736,278,586	14,170,759,920
Cost of sales	9	(15,432,560,000)	(9,283,779,854)
Gross profit		2,303,718,586	4,886,980,066
Operating expenses			
Selling, marketing and logistic expenses	10	(641,080,703)	(350,906,083)
General and administrative expenses	11	(561,843,682)	(463,470,168)
Exploration and technical services expenses	12	(179,909,722)	(95,437,950)
Impairment / reversal of impairment of non-current assets, net	13	(35,245,038)	46,480,083
Operating profit		885,639,441	4,023,645,948
Other income / (expenses)			
Income from time deposits	14	205,403,500	123,942,122
Finance cost	15	(2,401,363,914)	(1,753,403,620)
Other income / (expenses), net	16	87,390,250	(3,325,610)
Share in net profit of joint ventures that have been equity accounted	23.1.3, 23.2.3	112,077,731	143,535,306
(Loss) / profit before zakat and income tax		(1,110,852,992)	2,534,394,146
Income tax	24.1	(168,128,373)	(72,526,367)
Zakat expense	45.2	(249,156,159)	(216,232,355)
(Loss) / profit for the year		(1,528,137,524)	2,245,635,424
Other comprehensive loss			
Items that may be reclassified to profit or loss in subsequent periods			
Cash flow hedge – effective portion of changes in fair value	41	(198,893,932)	(26,940,863)
Items that will not be reclassified to profit or loss in subsequent periods			
Share in other comprehensive loss of a joint venture that has been equity accounted	23.1.3	(763,703)	-
Loss attributable to the re-measurements of employees' end of service termination benefits obligation	42.1.1	(329,869)	(24,162,881)
Loss on exchange differences on translation		(28,877,730)	-
Other comprehensive loss for the year		(228,865,234)	(51,103,744)
Total comprehensive (loss) / income for the year		(1,757,002,758)	2,194,531,680

Continued

		Year ended 31 December 2019	Year ended 31 December 2018
	Notes		
(Loss) / profit for the year is attributable to:			
Ordinary shareholders of the parent company	17	(739,463,938)	1,847,917,080
Non-controlling interest	36.2	(788,673,586)	397,718,344
	36.3	(1,528,137,524)	2,245,635,424
Total comprehensive (loss) / income for year is attributable to:			
Ordinary shareholders of the parent company		(913,787,687)	1,806,491,711
Non-controlling interest	36.2	(843,215,071)	388,039,969
		(1,757,002,758)	2,194,531,680
(Loss) / earnings per ordinary share (Saudi Riyals)			
Basic and diluted (loss) / earnings per share from continuing operations attributable to ordinary shareholders of the parent company	17	(0.62)	1.58



	Notes	31 December 2019	31 December 2018
Assets			
Non-current assets			
Mine properties	18	10,045,329,831	10,045,042,854
Property, plant and equipment	19	64,496,438,656	66,482,353,144
Right-of-use assets	20	1,416,739,854	-
Capital work-in-progress	21	2,747,575,350	2,197,029,285
Intangible assets and goodwill	22	356,097,532	340,187,882
Investment in joint ventures	23	1,116,716,693	1,423,526,084
Deferred tax assets	24.2	638,743,706	597,837,808
Other investments	25	38,440,000	43,185,000
Other non-current assets	26	998,863,145	1,078,706,138
Total non-current assets		81,854,944,767	82,207,868,195
Current assets			
Other investments	25	4,745,000	4,665,000
Due from joint venture partner	27	-	36,686,041
Advances and prepayments	28	252,221,973	191,146,717
Inventories	29	5,758,620,975	4,311,929,714
Trade and other receivables	30	2,995,379,409	2,435,885,584
Time deposits	31	3,186,788,848	3,556,910,113
Cash and cash equivalents	32	3,604,896,076	5,393,162,064
Total current assets		15,802,652,281	15,930,385,233
Total assets		97,657,597,048	98,138,253,428
Equity and liabilities			
Equity			
Share capital	33	12,305,911,460	11,684,782,610
Statutory reserve			
Share premium	34	10,739,190,039	8,391,351,697
Transfer of net income	35	1,054,251,439	1,054,251,439
Retained earnings		6,667,826,000	6,772,344,987
Other reserves		(111,636,166)	-
Equity attributable to ordinary shareholders of the parent company		30,655,542,772	27,902,730,733
Non-controlling interest	36.3	7,737,389,993	8,791,695,515
Total equity		38,392,932,765	36,694,426,248

		31 December 2019	31 December 2018
	Notes		
Non-current liabilities			
Deferred tax liabilities	24.3	841,232,652	607,317,644
Due to a joint venture partner	37	-	195,267,690
Long-term borrowings	38	47,157,272,822	51,403,730,903
Provision for decommissioning, site rehabilitation and dismantling obligations	39	451,095,515	385,625,329
Non-current portion of lease liability	40	1,127,119,455	5,720,810
Derivative financial instruments	41	236,723,783	28,888,908
Employees' benefits	42	722,399,205	618,463,740
Projects, trade and other payables	43	169,274,230	301,563,818
Total non-current liabilities		50,705,117,662	53,546,578,842
Current liabilities			
Projects, trade and other payables	43	3,169,100,203	2,215,392,112
Accrued expenses	44	2,171,278,361	1,909,315,871
Zakat and income tax payable	45	267,369,819	190,701,571
Severance fees payable	46	124,505,948	124,800,448
Current portion of long-term borrowings	38	2,687,811,435	3,435,575,366
Current portion of lease liability	40	139,480,855	21,462,970
Total current liabilities		8,559,546,621	7,897,248,338
Total liabilities		59,264,664,283	61,443,827,180
Total equity and liabilities		97,657,597,048	98,138,253,428
Commitments and contingent liabilities	48		



Equity attributable to ordinary shareholders of the parent company

	Statutory reserve				
	Share capital (Note 33)	Share premium (Note 34)	Transfer of net income (Note 35)	Retained earnings	Other reserves
31 December 2017 - as previously reported	11,684,782,610	8,391,351,697	869,459,731	5,151,922,897	-
IFRS 9 adjustments on expected credit losses	-	-	-	(1,277,913)	-
1 January 2018 - restated	11,684,782,610	8,391,351,697	869,459,731	5,150,644,984	-
Net profit for the year	-	-	-	1,847,917,080	-
Other comprehensive income for the year:					
Cash flow hedge – effective portion of changes in fair value (Note 41)	-	-	-	(20,178,706)	-
Loss attributable to the re-measurements of employees' end of service termination benefits obligation (Note 42.1.1)	-	-	-	(21,246,663)	-
Total comprehensive income for the year	-	-	-	1,806,491,711	-
Net income transferred to statutory reserve	-	-	184,791,708	(184,791,708)	-
Dividend paid to non-controlling interest during the year	-	-	-	-	-
31 December 2018	11,684,782,610	8,391,351,697	1,054,251,439	6,772,344,987	-

Non-controlling interest

Sub-total	Share capital	Payments to increase share capital*	Net income attributable to non-controlling interest	Other reserves	Sub-total	Total equity
26,097,516,935	8,523,320,890	298,542,857	(389,401,164)	-	8,432,462,583	34,529,979,518
(1,277,913)	-	-	-	-	-	(1,277,913)
26,096,239,022	8,523,320,890	298,542,857	(389,401,164)	-	8,432,462,583	34,528,701,605
1,847,917,080	-	-	397,718,344	-	397,718,344	2,245,635,424
(20,178,706)	-	-	(6,762,157)	-	(6,762,157)	(26,940,863)
(21,246,663)	-	-	(2,916,218)	-	(2,916,218)	(24,162,881)
1,806,491,711	-	-	388,039,969	-	388,039,969	2,194,531,680
-	-	-	-	-	-	-
-	-	-	(28,807,037)	-	(28,807,037)	(28,807,037)
27,902,730,733	8,523,320,890	298,542,857	(30,168,232)	-	8,791,695,515	36,694,426,248



Continued

	Equity attributable to ordinary shareholders of the parent company				
	Statutory reserve		Transfer of net income (Note 35)	Other reserves	Retained earnings
	Share capital (Note 33)	Share premium (Note 34)			
31 December 2018	11,684,782,610	8,391,351,697	1,054,251,439	-	6,772,344,987
Proceeds from conversion of long-term borrowings to equity	621,128,850	2,365,258,650	-	-	-
Transaction costs arising from conversion of long-term borrowings to equity	-	(17,420,308)	-	-	-
Net loss for the year	-	-	-	-	(739,463,938)
Other comprehensive loss for the year:					
Share in other comprehensive loss of a joint venture that has been equity accounted (Note 23.1.3)	-	-	-	-	(763,703)
Cash flow hedge – effective portion of changes in fair value (Note 41)	-	-	-	-	(148,971,556)
Loss attributable to the re-measurements of employees' end of service termination benefits obligation (Note 42.1.1)	-	-	-	-	(42,419)
Loss on exchange differences on translation				(24,546,071)	-
Total comprehensive loss for the year	-	-	-	(24,546,071)	(889,241,616)
Additional capital contribution resulting from transfer of automotive sheet project (Note 37)	-	-	-	-	-
Payment to increase share capital during the year (Note 36.3)	-	-	-	-	-
Charge due to transfer of long-term borrowings (Note 38.2)	-	-	-	-	(46,682,862)
Non-controlling interest share in MRC transferred in full to Ma'aden (Note 36.3)	-	-	-	-	831,405,491
Addition resulting from the business combination during the year (Note 36.3)	-	-	-	-	-
Non-controlling interest put option (Note 43)	-	-	-	(78,900,805)	-
Share of other non-distributable reserves	-	-	-	(8,189,290)	-
31 December 2019	12,305,911,460	10,739,190,039	1,054,251,439	(111,636,166)	6,667,826,000

* These payments, to ultimately increase share capital of the applicable subsidiaries over a period of time, are treated as part of the total equity of these subsidiaries. No shares have been issued as yet, and the Commercial Registration certificate has not yet been amended, but it will be once these payments have been converted to share capital.



Non-controlling interest

Sub-total	Share capital	Payments to increase share capital*	Other reserves	Net income attributable to non-controlling interest	Sub-total	Total equity
27,902,730,733	8,523,320,890	298,542,857	-	(30,168,232)	8,791,695,515	36,694,426,248
2,986,387,500	-	-	-	-	-	2,986,387,500
(17,420,308)	-	-	-	-	-	(17,420,308)
(739,463,938)	-	-	-	(788,673,586)	(788,673,586)	(1,528,137,524)
(763,703)	-	-	-	-	-	(763,703)
(148,971,556)	-	-	-	(49,922,376)	(49,922,376)	(198,893,932)
(42,419)	-	-	-	(287,450)	(287,450)	(329,869)
(24,546,071)			(4,331,659)	-	(4,331,659)	(28,877,730)
(913,787,687)	-	-	(4,331,659)	(838,883,412)	(843,215,071)	(1,757,002,758)
-	-	195,488,894	-	-	195,488,894	195,488,894
-	-	375,000,000	-	-	375,000,000	375,000,000
(46,682,862)	-	-	-	-	-	(46,682,862)
831,405,491	(621,820,323)	(800,876,319)	-	591,291,151	(831,405,491)	-
-	51,271,315	-	-	-	51,271,315	51,271,315
(78,900,805)	-	-	-	-	-	(78,900,805)
(8,189,290)	-	-	(1,445,169)	-	(1,445,169)	(9,634,459)
30,655,542,772	7,952,771,882	68,155,432	(5,776,828)	(277,760,493)	7,737,389,993	38,392,932,765



		Year ended 31 December 2019	Year ended 31 December 2018
	Notes		
Operating activities			
(Loss) / profit before zakat and income tax		(1,110,852,992)	2,534,394,146
Adjustments for non-cash flow items:			
Loss on exchange differences		(38,512,189)	-
Impairment / (reversal of impairment) of non-current assets, net	13	35,245,038	(46,480,083)
Income from time deposits	14	(205,403,500)	(123,942,122)
Finance cost	15	2,401,363,914	1,753,403,620
Depreciation of mine properties	18.1	812,077,882	626,381,829
Adjustment to property, plant and equipment	19	-	3,702,425
Depreciation of property, plant and equipment	19.1	3,577,762,925	2,529,349,845
Depreciation of right-of-use assets	20.1	204,128,992	-
Amortisation of intangible assets	22.1	42,495,946	37,499,762
Share in net profit of joint ventures	23.1.3, 23.2.3	(112,077,731)	(143,535,306)
Obsolete and slow moving spare parts and consumable materials written-off	29	-	1,386,960
Inventory written-off to net realizable value	29	120,223,940	-
Increase / (reversal) of provision for allowance for inventory obsolescence	29.1	(410,696)	46,012,092
ECL allowance on time deposits	31.1	-	1,259,666
Adjustment to mine closure provision	39.1,16	(10,179,743)	-
Current service cost of employees' termination benefits	42.1	80,372,421	93,617,211
Contribution for the employees' savings plan	42.2	38,775,217	41,620,333
Provision for severance fees	46	122,384,655	123,792,353

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
Changes in working capital:			
Advances and prepayments	26,28	(40,868,792)	(36,906,474)
Inventories	26,29	(1,072,662,545)	(907,661,150)
Trade and other receivables	26,30	(343,087,092)	(307,384,248)
Projects and other payables – Trade	43	783,822,875	(95,369,611)
Accrued expenses – Trade	44	385,595,960	292,161,416
Derivative interest paid	41	(15,050,748)	-
Employees' termination benefits paid	42.1	(25,089,096)	(58,010,555)
Employees' savings plan withdrawal	42.2	(14,975,286)	(38,447,347)
Zakat paid	45.2	(181,784,447)	(142,676,352)
Income tax paid	45.5	(5,697,912)	(14,311,791)
Severance fees paid	46	(122,679,155)	(72,071,259)
Finance cost paid		(2,199,458,320)	(2,118,196,406)
Net cash generated from operating activities		3,105,459,521	3,979,588,954
Investing activities			
Income received from time deposits		199,699,765	114,195,653
Acquisition of a subsidiary net of cash acquired	5	(331,701,929)	-
Additions to mine properties	18	(819,532,022)	(275,145,829)
Additions to property, plant and equipment	19	(174,473,420)	(278,774,359)
Additions to capital work-in-progress	21	(1,776,269,113)	(1,142,246,955)
Additions to intangible assets	22	(173,621)	(115,173)
Settlement of additional contribution to equity in a joint venture	23.1.3	418,123,419	-
Other investments	25	4,665,000	2,150,000
Due from joint venture partners	27	36,686,041	(23,033,966)
Decrease / (increase) in time deposits	31	375,825,000	(1,295,000,000)
Increase in restricted cash	32	(23,799,931)	(3,172,986)
Projects and other payables – Projects	43	(300,080,511)	(394,251,198)
Accrued expenses - Projects	44	(166,299,906)	(317,067,159)
Net cash utilized in investing activities		(2,557,331,228)	(3,612,461,972)



Continued

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
Financing activities			
Transaction cost incurred for the conversion of long-term borrowing to equity	34	(17,420,308)	-
Payment to increase share capital of non-controlling interest	36.3	375,000,000	-
Due to a joint venture partner, net	37	221,204	23,033,966
Proceeds from long-term borrowings received	38	1,778,381,105	10,012,202,039
Repayment of long-term borrowings	38	(4,292,176,294)	(9,326,726,973)
Lease liability	40.1	(204,199,919)	(37,263,966)
Net cash (utilized in) / generated from financing activities		(2,360,194,212)	671,245,066
Net change in cash and cash equivalents		(1,812,065,919)	1,038,372,048
Unrestricted cash and cash equivalents at the beginning of the year	32	5,320,116,207	4,281,744,159
Unrestricted cash and cash equivalents at the end of the year	32	3,508,050,288	5,320,116,207



		Year ended 31 December 2019	Year ended 31 December 2018
	Notes		
Non-cash flow transactions			
Transfer to mine properties from capital work-in-progress	18,21	-	1,258,519,456
Adjustment of the provision for decommissioning, site rehabilitation and dismantling obligation	18,39.2, 39.3	53,168,500	73,406,497
Transfer to property, plant and equipment from mine properties	19,18	-	15,101,390
Transfer to property, plant and equipment from capital work-in-progress	19,21	1,242,374,344	24,310,225,995
Transfer to right-of-use assets from mine properties	20,18	26,890,003	-
Transfer to right-of-use assets from intangible assets	20,22	203,367,336	-
IFRS 16 adjustment - Initial recognition / adjustment to right-of-use assets and the corresponding lease liability	20,40.1, 40.2	1,301,788,575	-
Addition to right of use assets and the corresponding lease liability	20,40.1, 40.2	103,370,909	-
Borrowing cost capitalized as part of capital work-in-progress	21,15.1	21,178,231	549,836,633
Depreciation of property, plant and equipment capitalized as part of capital-work-in-progress	21,19.1	-	39,629,118
Amortization of intangible assets capitalized as part of capital-work-in-progress	21, 22.1	-	3,030,044
Amortization of transaction cost capitalized as part of capital work-in-progress	21,38.10	2,094,184	29,464,834
Transfer to intangible assets from capital work-in-progress	22,21	16,080,244	34,979,055
ECL allowance on adoption of IFRS 9 charged to trade and other receivables and opening retained earnings	30.1	-	336,385
ECL allowance on adoption of IFRS 9 charged to time deposits and other receivables and opening retained earnings	31.1	-	941,528
Dividend paid to non-controlling interest	36.3,30	-	28,807,037
Share of joint venture partner in impairment of capital work-in-progress	37,21	-	94,125,000
Transfer from due to joint venture partner to payment to increase share capital	37,36.3	195,488,894	-
Conversion of long-term borrowings to equity	38.2,33,34	2,986,387,500	-
Loss / (gains) attributable to re-measurement of employees' end of service termination benefits obligation capitalized as part of capital work-in-progress	21,42.1.1	-	2,076,230
Non-controlling interest put option recorded in other reserves	43	78,900,805	-



1 General information

Saudi Arabian Mining Company ("Ma'aden") (the "Company") was formed as a Saudi Arabian joint stock company, following the Council of Ministers Resolution No. 179 dated 8 Zul Qaida 1417H (corresponding to 17 March 1997) and incorporated in the Kingdom of Saudi Arabia pursuant to the Royal Decree No. M/17 dated 14 Zul Qaida 1417H (corresponding to 23 March 1997) with Commercial Registration No. 1010164391, dated 10 Zul Qaida 1421H (corresponding to 4 February 2001). The Company has an authorized and issued share capital of Saudi Riyals ("SAR") 12,305,911,460 divided into 1,230,591,146 ordinary shares with a nominal value of SAR 10 each (Note 33).

The objectives of the Company and its subsidiaries (the "Group") are to be engaged in various projects related to all stages of the mining industry, including development, advancement and improvement of the mineral industry, mineral products and by-products. These activities exclude:

- petroleum and natural gas and materials derived there from,
- any and all hydrocarbon substances, products, by-products and derivatives and
- activities related to all stages of the oil industry and the industries associated therewith and supplementary there to.

The Group's principal mining activities are at the Mahd Ad-Dahab, Bulghah, Al-Amar, Sukhaybarat, As Suq, Ad Duwayhi, Al-Jalamid, Al-Khabra, Az Zabirah, Al-Ghazallah and Al-Ba'itha mines. Currently, the Group mainly mines gold, phosphate rock, bauxite, low-grade bauxite, kaolin and magnesite.

2 Group structure

The Company has the following subsidiaries and joint ventures

Subsidiaries incorporated in the Kingdom of Saudi Arabia	Type of company	Effective ownership	
		31 December 2019	31 December 2018
Ma'aden Gold and Base Metals Company ("MGBM")	Limited liability company	100%	100%
Ma'aden Infrastructure Company ("MIC")	Limited liability company	100%	100%
Industrial Minerals Company ("IMC")	Limited liability company	100%	100%
Ma'aden Fertilizer Company ("MFC")	Limited liability company	100%	-
Ma'aden Marketing and Distribution Company ("MMDC")	Limited liability company	100%	-
Ma'aden Rolling Company ("MRC")	Limited liability company	100%	74.9%
Ma'aden Aluminium Company ("MAC")	Limited liability company	74.9%	74.9%
Ma'aden Bauxite and Alumina Company ("MBAC")	Limited liability company	74.9%	74.9%
Ma'aden Phosphate Company ("MPC")	Limited liability company	70%	70%
Ma'aden Wa'ad Al-Shamal Phosphate Company ("MWSPC")	Limited liability company	60%	60%
Joint ventures incorporated in the Kingdom of Saudi Arabia			
Ma'aden Barrick Copper Company ("MBCC")	Limited liability company	50%	50%
Sahara and Ma'aden Petrochemicals Company ("SAMAPCO")	Limited liability company	50%	50%



2 Group structure (continued)

		Effective ownership	
Subsidiaries incorporated outside the Kingdom of Saudi Arabia	Type of company	31 December 2019	31 December 2018
Meridian Consolidated Investments Limited ("MCIL") – Incorporated in Mauritius	Limited liability company	85%	-
MCIL has the following subsidiaries in which Ma'aden has an indirect ownership:			
Incorporated in Mauritius:			
Agroserve S.A.	Limited liability company	85%	-
MCFI (Africa) Ltd	Limited liability company	85%	-
Meridian Commodities Limited	Limited liability company	85%	-
Meridian Group Services Limited	Limited liability company	85%	-
V & M Grain Mauritius Limited	Limited liability company	85%	-
Incorporated in Malawi:			
Farmers World Holdings Limited	Limited liability company	85%	-
Agora Limited	Limited liability company	85%	-
Farmers World Limited	Limited liability company	85%	-
Grain Securities Limited	Limited liability company	85%	-
Liwonde Property Investment Limited	Limited liability company	42.5%	-
Malawi Fertilizer Company Limited	Limited liability company	85%	-
Optichem (2000) Limited	Limited liability company	85%	-
Incorporated in Mozambique:			
Mozambique Fertilizer Company Limited	Limited liability company	85%	-
Transalt Limitada	Limited liability company	85%	-
Transcargos Limitada	Limited liability company	85%	-
MozGrain Limitada	Limited liability company	85%	-
Incorporated in Zimbabwe:			
Ferts, Seed and Grain (Private) Limited	Limited liability company	85%	-
Others:			
MG Administration Services Proprietary Limited – incorporated in South Africa	Limited liability company	85%	-
African Investment Group Limited – incorporated in Seychelles	Limited liability company	85%	-
Fert, Seed and Grain Limited – incorporated in Zambia	Limited liability company	85%	-

The financial year end of all the subsidiaries and joint ventures incorporated inside the Kingdom of Saudi Arabia coincide with that of the parent company ("Ma'aden"), whereas the financial year end of all the subsidiaries incorporated outside the Kingdom of Saudi Arabia is 31st March.



2.1 MGBM

The company was incorporated on 9 August 1989 in the Kingdom of Saudi Arabia, which is also its principal place of business.

The objectives of the company are:

- The exploration and mining of gold and associated minerals within their existing mining lease areas by way of drilling, mining and concentrating and
- Construct, operate and maintain all mines, buildings, highways, pipelines, refineries, treatment plants, communication systems, power plants and other facilities necessary or suitable for the purposes of the leases.

2.2 MIC

The company was incorporated on 18 August 2008 in the Kingdom of Saudi Arabia, which is also its principal place of business.

The objectives of the company are to:

- Manage the infrastructure projects to develop, construct and operate the infrastructure and
- Provide services to Ras Al-Khair area and other mining and industrial locations in the Kingdom of Saudi Arabia.

2.3 IMC

The company was incorporated on 31 March 2009 in the Kingdom of Saudi Arabia, which is also its principal place of business.

The objectives of the company are:

- The exploitation of industrial minerals within the existing mining lease areas by way of drilling, mining, concentrating, smelting and refining and
- Extract, refine, export and sell such minerals in their original or refined form.

The company currently operates a kaolin and low grade bauxite mine in the central zone of Az Zabirah and a high grade magnesite mine at Al-Ghazallah and the processing plants at Al-Madinah Al-Munawarah. The Multiple Hearth Furnace "(MHF)" processing plant is fully operational and the Vertical Shaft Kiln "(VSK)" plant commenced commercial production on 1 August 2017.

2.4 MFC

The company was incorporated on 12 February 2019 in the Kingdom of Saudi Arabia, which is also its principal place of business.

The objectives of the company are:

- Production of fertilizers, including phosphate and natural potassium minerals,
- Mine minerals containing nitrogen and potassium,
- Manufacture phosphate fertilizers, potassium fertilizers, Urea and phosphate and potassium and
- Produce nitric acid, ammonia and potassium nitrate.

2.5 MMDC

The company was incorporated on 13 February 2019 in the Kingdom of Saudi Arabia, which is also its principal place of business.

The objectives of the company are:

- To be a vehicle for Ma'aden to build a fertilizer distribution business in the most important global fertilizer markets.

On 18 April 2019 MMDC signed an agreement, dated, to acquire 85% of Meridian Consolidated Investments Limited ("MCIL") (Meridian Group or Meridian), a leading fertilizer distribution company operating in East and Southern Africa. Meridian already sells close to half a million tonnes of fertilizer every year through its network of facilities including fertilizer granulation and blending plants, warehouses and port facilities across Malawi, Zimbabwe, Zambia and Mozambique.

On 8 August 2019, acquisition of 85% of Meridian was completed after obtaining all the necessary regulatory and legal approvals.

2.6 MRC

The company was incorporated on 10 October 2010 in the Kingdom of Saudi Arabia, which is also its principal place of business and until 26 June 2019 was owned:

- 74.9% by Saudi Arabian Mining Company ("Ma'aden") and
- 25.1% by Alcoa Saudi Rolling Inversiones S.L. ("ASRI"), a foreign shareholder, a company wholly owned by Alcoa Corporation, which is accounted for as a non-controlling interest in these consolidated financial statements (Note 36.1).

The objectives of the company are the production of:

- can body sheets,
- can ends stock and
- automotive heat treated and non-heat treated sheets.

The company declared commercial production for the flat rolled products on 9 December 2018, however, the automotive sheet project commenced commercial production on 1 September 2019.

On 26 June 2019, an "Asset Transfer Agreement" was signed between Ma'aden, MRC and ASRI resolving to transfer the ownership of the automotive sheet project to MRC at the carrying amount of the assets and in consideration, the capital contribution of Ma'aden and ASRI was increased in MRC (Note 37).

On 26 June 2019, Ma'aden and ASRI signed an agreement whereby ASRI transferred shares of the company representing 25.1% of the share capital in MRC to Ma'aden (Note 36.3). Ma'aden now owns 100% of MRC.

2.7 MAC

The company was incorporated on 10 October 2010 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:



- 74.9% by Saudi Arabian Mining Company ("Ma'aden") and
- 25.1% by Alcoa Saudi Smelting Inversiones S.L. ("ASSI"), a foreign shareholder, a company wholly owned by Alcoa Corporation, which is accounted for as a non-controlling interest in these consolidated financial statements (Note 36.1).

The objectives of the company are the production of primary aluminium products:

- ingots,
- t shape ingots,
- slabs and
- billets.

2.8 MBAC

The company was incorporated on 22 January 2011 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 74.9% by Saudi Arabian Mining Company ("Ma'aden") and
- 25.1% by AWA Saudi Limited ("AWA"), a foreign shareholder, which is owned 60% by Alcoa Corporation and 40% by Alumina Limited, an unrelated third party, which is accounted for as a non-controlling interest in these consolidated financial statements (Note 36.1).

The objectives of the company are to:

- exploit the Al-Ba'itha bauxite deposits,
- produce and refine bauxite and
- produce alumina.

2.9 MPC

The company was incorporated on 1 January 2008 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 70% by Saudi Arabian Mining Company ("Ma'aden") and
- 30% by Saudi Basic Industries Corporation ("SABIC"), which is accounted for as a non-controlling interest in these consolidated financial statements (Note 36.1).

The objectives of the company are to:

- Exploit the Al-Jalamid phosphate deposits,
- Utilize local natural gas and sulphur resources to manufacture Phosphate fertilizers at the processing facilities at Ras Al-Khair and
- produce ammonia as a raw material feed stock for the production of fertilizer with the excess ammonia exported or sold domestically.

2.10 Mwspc

The company was incorporated on 27 January 2014 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 60% by Saudi Arabian Mining Company ("Ma'aden"),
- 25% by Mosaic Phosphate B.V., a foreign shareholder, a limited liability company registered in Netherlands wholly owned by The Mosaic Company ("Mosaic"), which is accounted for as a non-controlling interest in these consolidated financial statements (Note 36.1) and
- 15% by Saudi Basic Industries Corporation ("SABIC"), which is accounted for as a non-controlling interest in these consolidated financial statements (Note 36.1).

The objectives of the Company are the production of:

- di-ammonium and mono-ammonium phosphate fertilizer,
- ammonia,
- purified phosphoric acid,
- phosphoric acid,
- sulphuric acid and
- sulphate of potash

The company declared commercial production on 2 December 2018, except for the ammonia plant for which commercial production was declared on 1 January 2017.

2.11 SAMAPCO

The company was incorporated on 14 August 2011 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 50% by Saudi Arabian Mining Company ("Ma'aden") (Note 23.2.3) and
- 50% by Sahara Petrochemical Company.

SAMAPCO is a joint venture project and is accounted for as an investment in a joint venture under the equity method of accounting in these consolidated financial statements.

The objectives of the company are the production of:

- concentrated caustic soda,
- chlorine and
- ethylene dichloride.

The operations of the company include the production and supply of:

- Concentrated caustic soda (CCS) feedstock to the alumina refinery at MBAC and to sell any excess production not taken up by Ma'aden in the wholesale and retail market and
- Ethylene dichloride (EDC) in the wholesale and retail market.

2.12 MBCC

The company was incorporated on 2 November 2014 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 50% by Saudi Arabian Mining Company ("Ma'aden") (Note 23.1.3) and
- 50% by Barrick Middle East (Pty) Limited ("Barrick"), a foreign shareholder.

MBCC is a joint venture project and is accounted for as an investment in a joint venture under the equity method of accounting in these consolidated financial statements.

The objectives of the company are the production of copper concentrate and associated minerals within their existing mining lease area by way of drilling, mining and concentrating.



3. Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with:

- International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and
- Interpretations issued by the International Financial Reporting Standards Interpretations Committee (IFRSIC) applicable to companies reporting under IFRS.

The consolidated financial statements comply with IFRS and other standards and pronouncements that are issued by the Saudi Organization for Certified Public Accountants (SOCPA), as endorsed in the Kingdom of Saudi Arabia for financial reporting.

The consolidated financial statements have been prepared on the historical cost basis except where IFRS requires other measurement basis as disclosed in the applicable accounting policies in Note 4 – Summary of significant accounting policies.

These consolidated financial statements are presented in SAR which is both the functional and reporting currency of the Group.

New IFRS standards, amendments to standards and interpretations not yet adopted

The following new accounting standards, amendments to standards and interpretations have been published by IASB that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Group.

Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest rate benchmark reform

These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that Interbank Offered Rate ("LIBOR") reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the statement of profit or loss and other comprehensive income (Note 41).

Transition from LIBOR to risk free rates

In July 2017, the United Kingdom Financial Conduct Authority ('FCA'), which regulates the London Interbank Offered Rate ('LIBOR'), announced that the interest benchmark would cease after 2021. LIBOR is one of the most common series of benchmark interest rates. LIBOR reforms and expectation of cessation of LIBOR will impact the Group's current risk management strategy and possibly accounting for certain financial instruments. The Group has long-term borrowings of SAR 27,150,445,927 which are exposed to the impact of LIBOR as at 31 December 2019 (Note 38.8).

As part of the Group's risk management strategy, the Group uses financial instruments to manage exposures arising from variation of interest rates that could affect profit or loss and other comprehensive income and applies hedge accounting to these instruments. Majority of those financial instruments are also referenced to LIBOR.

The Group is assessing the impact and next steps to ensure a smooth transition from LIBOR to the new benchmark rates.

New and amended IFRS standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their reporting periods commencing on or after 1 January 2019:

Amendment to IFRS 9, Financial instruments', on modification of financial liabilities

This amendment applies when a financial liability, measured at amortised cost, is modified without this resulting in a de-recognition, a gain or loss should be recognised immediately in the consolidated statement of profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread over the remaining life of the instrument which may be a change in practice from IAS 39. (Note 51).

Annual Improvements to IFRS Standards 2015 - 2017

These amendments include minor changes to **IAS 23 - Borrowing costs** – a company treats as part of general borrowings any long-term borrowing originally made to develop a qualified asset when the asset is ready for its intended use or sale. (Accounting policy 4.16 and Note 21). A portion of the finance cost paid on the general borrowings is capitalized as part of the qualifying asset presented in capital work-in-progress.

Amendments to IAS 19 - Employee benefits on plan amendment, curtailment or settlement

These amendments require an entity to: (Note 42.1)

- Use updated assumptions to determine the current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and
- Recognise in profit or loss as part of past service cost, a gain or a loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

3 Basis of preparation (continued)

International Financial Reporting Standards Interpretations Committee ("IFRS IC") 23 - Uncertainty over income tax treatments

This IFRIC clarifies how the recognition and



measurement requirements of **IAS 12 - Income taxes**, are to apply where there is uncertainty over income tax treatments. The IFRIC had clarified previously that **IAS 12, not IAS 37 - Provisions, contingent liabilities and contingent assets**, applies to accounting for uncertain income tax treatments.

IFRIC 23 explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority.

IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Group has also assessed the impact of the application of the interpretation related to uncertainty over Income Tax treatments, and has incorporated the relevant adjustments in the consolidated financial statements. (Note 45.4).

Impact of changes in accounting policies due to the adoption of new IFRS standards

The Group has adopted a new accounting standard **IFRS 16 - Leases** for all reporting periods commencing on or after 1 January 2019, the impact of the adoption of this standard is explained below:

Nature of change

The IASB has issued a new standard IFRS 16 for the recognition of leases. This standard has replaced:

- **IAS 17 - "Leases"**
- **IFRIC 4 - "Whether an arrangement contains a lease"**
- **SIC 15 - "Operating leases - Incentives"**
- **SIC 27 - "Evaluating the substance of transactions involving the legal form of a lease"**

Impact of the new definition of a lease

The change in the definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease, is based on whether the lessee (customer) has the exclusive right to control the use of an identified asset for a period in exchange for a consideration.

Impact of changes in accounting policies, presentation and disclosure due to the adoption of the new IFRS 16

The Group has applied IFRS 16, using the modified retrospective method, with the result that:

- The comparative amounts are not restated and
- The lease liability as at 1 January 2019 (the date of transition) is calculated as the present value of the remaining future lease payments due under the remaining term of the lease, discounted using the Company's incremental borrowing rate as at the date of the transition.

The equal and opposite side of the lease liability calculated like this, is the right-of-use ("RoU") asset. Therefore, there is no adjustment against opening retained earnings as at the transition date.

The financial information presented for the year ended 31 December 2018 does not reflect the requirements of IFRS 16, but that of its predecessor IAS 17 and is therefore not comparable to the financial information presented under IFRS 16 for the year ended 31 December 2019.

Impact on lessee accounting

Former operating lease

IFRS 16 changes how the Group accounts for leases previously classified as operating leases under IAS 17, which were off-balance sheet.

Applying IFRS 16, for all leases (except as noted below), the Group recognizes:

- RoU assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the remaining future lease payments,
- Depreciation of RoU assets and interest on lease liabilities in the consolidated statement of profit or loss and other comprehensive income and
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and an interest portion (presented within operating activities) in the consolidated statement of cash flows.

Under IFRS 16, RoU assets are tested for impairment in accordance with IAS 36 - Impairment of assets. This replaces the previous requirement to recognize a provision for onerous lease contracts.

For short-term leases (a lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Group has opted to recognize a lease expense on a straight-line basis as permitted by IFRS 16 over the term of the lease, or the economic useful life of the underlying assets whichever is the shortest. This expense is presented within other expenses in the consolidated statement of profit or loss and other comprehensive income.

Former finance leases

The main difference between IFRS 16 and IAS 17 with respect to assets formerly held under a finance lease is the measurement of the residual value guarantees provided by the lessee to the lessor. This change did not have a material effect on the Group's consolidated financial statements.

Impact on lessor accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the RoU asset arising



from the head lease and not by referencing to the underlying assets as was the case under IAS 17.

Summary of the impact on the consolidated financial statements following the implementation of IFRS 16

Consolidated statement of financial position as at 1 January 2019

The Group, as a lessee, had a significant portfolio of operating leases that were all off-balance sheet under IAS 17, these leases are now recognized on-balance sheet under IFRS 16.

The Group has opted for a separate line item presentation in the consolidated statement of financial position for the RoU assets under the non-current assets and the lease liabilities under both the non-current and current liabilities.

The adoption of IFRS 16 has resulted in recognising the following RoU assets and with their corresponding liabilities:

	Notes	1 January 2019
Right-of-use assets	20	1,292,480,071
Lease liability	40.1,40.2	(1,292,480,071)

Reconciliation of leases under IFRS 16

Operating lease commitments disclosed as at 31 December 2018		5,710,783
Initial recognition of Right-of-use assets as at 1 January 2019	20	1,292,480,071
Less: short-term leases not recognized as a lease liability		(5,710,783)
Lease liability	40	1,292,480,071
Lease liability recognised as at 1 January 2019		
Future minimum lease payments	40	2,162,854,688
Less: Future finance cost not yet due	40	(870,374,617)
Net present value of minimum lease payments	40	1,292,480,071

payments) are classified as operating expenses, as well as the expenses relating to short-term lease and low-value lease contracts for which the Group, as a lessee, makes use of the available exemption.

Initial direct costs incurred by the Group upon entering a lease, as a lessee, are included in the cost of the RoU asset. Accordingly, these costs are now amortized over the lease term whereas they may have been expensed as incurred for operating leases under IAS 17. The adoption of IFRS 16 did not affect other comprehensive income.

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019

The new IFRS 16 has resulted in a change in the amount and presentation of expenses related to leases formerly classified as operating leases (where the Group is a lessee). Under IAS 17, operating lease expenses were mainly presented as part of production costs included within cost of sales.

Applying IFRS 16, the expense is split into financing cost and a depreciation expense. Consequently, key performance indicators (KPIs) such as gross profit, operating profit and EBITDA, which is reported by the Group have been affected.

Any rental payments not included in the initial measurement of the liability (example: variable lease

Consolidated statement of cash flows for the year ended 31 December 2019

Whereas under IAS 17, payments under operating leases were presented as part of cash flows from operating activities, under IFRS 16, lease payments are split between cash payments for an interest portion of the lease liability and repayment of a principal portion. As required by IFRS 16, the Group presents repayment of principal portion within cash flows from financing activities.

As permitted by IAS 7 and in accordance with the Group's accounting policy, finance cost paid is classified as part of cash flows from operating activities.



Practical expedients applied

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics and
- Accounting for each lease component and any associated non-lease components as a single lease component.

4. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented except for policy on leases which was changed due to the adoption of the new accounting standard (Refer note 3).

4.1 Basis of consolidation and equity accounting

Subsidiaries

The consolidated financial statements of the Group incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has all of the following three elements:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee and
- The ability to use its power over the investee to affect its returns.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company investments, transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. The accounting policies of the subsidiaries are consistent with those adopted by the Group.

Non-controlling interests in the results and equity of not wholly owned subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, respectively.

Business combinations

The Group accounts for the business combinations using the acquisition method when control is transferred to the Group. The Group measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the fair value of the identifiable assets

acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in earnings. Non-controlling interest is measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. If the business combination is achieved in stages, the carrying value of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Accounting policies of subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Group.

Transaction costs that the Company incurs in connection with a business combination are expensed as incurred.

Joint ventures

A joint venture exists where the Group has a contractual arrangements (rights and obligations) in place, with one or more parties, to undertake activities typically, however not necessarily, through a legal entity that is subject to joint control.

Interests in joint ventures are accounted for using the equity method of accounting. The investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of:

- The post-acquisition profits or losses of the investee in the consolidated statement of profit or loss and
- The movements in other comprehensive income of the investee in the consolidated statement of other comprehensive income.

The Group's share of the results of joint ventures is based on the financial statements prepared up to consolidated statement of financial position date, adjusted to conform with the accounting policies of the Group, if any.

Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment when the right to receive a dividend is established.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed, where necessary, to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 4.11.



4.2 Foreign currency translation

Foreign currency transactions are translated into SAR at the rate of exchange prevailing at the date the transaction first qualifies for recognition and are initially recorded by each entity in the Group.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date. Gains and losses from settlement and translation of foreign currency transactions are included in the consolidated statement of profit or loss.

4.3 Revenue recognition

Revenue comprises of sales to third parties and is measured based on the considerations specified in contracts with customers and excludes rebates and amounts, if any, collected on behalf of third parties. Revenue is recognised, when (or as) the Company satisfies the performance obligations as specified in the contract with the customer (buyer), when the seller has transferred to the customer (buyer) control over the promised goods and services, either:

- at a point in time or
- over a time basis equivalent to the stage of completion of the service.

The Group recognizes revenue from the following main sources:

- a) Sale of the following goods directly to the customers:
 - Phosphate fertilizer, ammonia and industrial minerals
 - Alumina, primary aluminium products and flat rolled products
 - Gold bullion (including by-products like copper, zinc and silver concentrate)
- b) Rendering of the following services directly to the customers:
 - Transportation of goods

The timing and measurement of revenue recognition for the above-mentioned main sources of revenue i.e. sales of goods and rendering of services directly to customers are as follows:

Sales of phosphate fertilizer, ammonia and industrial minerals

The Group, as principal, sells phosphate fertilizer, ammonia and industrial minerals products directly to customers and also through two marketing agents SABIC and The Mosaic Company, acting as agents, for the sale of phosphate fertilizer and ammonia.

4.3 Revenue recognition (continued)

The Group sells a significant proportion of its goods on Cost and freight ocean transport ("CFR") International Commercial terms ("Incoterms") and therefore, the Group is responsible for providing shipping services after the date at which control over the promised goods have passed to the customer at the loading port. The Group is therefore, responsible for the satisfaction of two performance obligations under its CFR contracts with the customers and recognizes revenue as follows:

- Sale and delivery of goods at the loading port resulting in the transfer of control over such promised goods to the customer and recognizing the related revenue at a point in time basis and
- Shipping services for the delivery of the promised goods to the customer's port of destination and recognizing the related revenue over a time basis, equivalent to the stage of completion of the services.

At the loading port, quality and quantity control of the promised goods are carried out by independent internationally accredited consultants before the loading of the vessel, in accordance with the specifications contained in the contract. The physical loading of the approved promised goods on the vessel, satisfies the Group's performance obligation and triggers the recognition of revenue at a point in time. Ma'aden has full discretion over the price to sell the goods.

The selling price includes revenue generated for the sale of goods and transportation services depending on the Incoterms contained in the contract with the customer. The selling price is therefore unbundled or disaggregated into these two performance obligations, being the sale of the promised goods and the transportation thereof and it is being disclosed separately.

The Group recognizes a trade receivable for the sale and delivery of the promised goods when the goods, delivered to the loading port, are loaded on to the vessel as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. However, the trade receivable related to the transportation service are recognized over time, if material, based on the stage of completion of service which is assessed at the end of each reporting period. The disaggregation between separate performance obligations is done based on the standalone selling price.

All shipping and handling costs incurred by the Group, in relation to the satisfaction of performance obligation for the transportation of the promised goods, under CFR contracts with the customers, are recognized as cost of sales in the consolidated statement of profit or loss.

Sale of alumina, primary aluminium products and flat rolled products

The Group, as principal, sells alumina, primary aluminium products and flat rolled products directly to customers and in accordance with the contract, the promised goods are provisionally priced. The sales price is not settled until a predetermined future date and is based on the market price at a time or over a pre-defined period of time. Revenue on these sales is initially recognized (when all the above criteria are met), at a provisional price based on the pricing mechanism as specified in the contract. Provisionally priced sales are marked-to-market at each reporting date using the forward price for the period equivalent to that outlined in the contract.

Sale of gold bullion and concentrates

The Group, as principal, sells gold bullion and by-products like copper, zinc and silver concentrate directly to customers under contract, which vary in tenure and pricing mechanisms. The Group's primary product is gold and the concentrates produced as part of the extraction process are considered to be by-products arising from the production of gold. Revenues from by-product sales are insignificant and are credited to production cost applicable to gold bullion sales as a by-product credit.

• Gold bullion sales

The Group primarily sell gold bullion in the spot market. The selling price is fixed on the date of sale based on the gold spot price and the revenue and related trade receivable is recognized, at a point in time basis, when the gold bullion is delivered to the airport, which is also the date, the place and the time that the control over the gold bullion is transferred to the customer.

Sales revenue is commonly subject to a quantity adjustment based on a fire assay of the gold bullion upon arrival at the refinery of the customer.

The sales revenue of a bullion bar is based on provisionally invoiced quantities. The Group uses the "expected value method" to recognize revenue on provisionally invoiced quantities. The revenue recognized is based on probability of gold content and includes in a range of possible consideration amounts.

• Metal concentrate sales

Revenue from the sale of metal concentrates (copper, zinc and silver) is based on selling prices that are provisionally set, for a specified future date after shipment, based on ruling market prices. Sales revenue and the related trade receivable is recognized, at a point in time basis, at the time of shipment, which is also the date that the control transfers to the customer.

The final selling price on such concentrates is settled within a predetermined future date and is based on the ruling market price at that time or over a quotation period stipulated in the contract.

Revenue for provisionally priced metal concentrates is initially recognized at the current market price. However, subsequently at each reporting date, such provisionally priced sales are marked-to-market using the relevant forward market prices for the period stipulated in the contract. This marked-to-market adjustment is directly recognized in sales and in the carrying amount of the outstanding trade receivable.

Income from time deposits

Investment income on time deposits is accrued on a time basis, by reference to the principal outstanding and at the applicable effective interest rate.

4.4 Selling, marketing and logistic expenses

Selling, marketing and logistic expenses comprise of all costs for selling, marketing and transportation of the Group's products and include expenses for advertising, marketing fees, other sales related. Allocation between selling, marketing and logistic expenses and cost of sales are made on a consistent basis, when required.

4.5 General and administrative expenses

General and administrative expenses include direct and indirect costs not specifically part of cost of sales or the selling, marketing and logistics activity of the Group. Allocation between general and administrative expenses and cost of sales are made on a consistent basis, when required.

4.6 Earnings per share

Basic and diluted earnings per share from continuing operations is calculated by dividing:

- The profit from continuing operations attributable to ordinary shareholders of the parent company
- By the weighted average number of ordinary shares outstanding during the financial year.

The Group has not issued any potential ordinary shares, therefore the basic and diluted earnings per share are the same.

4.7 Mine properties and property, plant and equipment

Mine properties and property, plant and equipment

Freehold land is carried at historical cost and is not depreciated.

Mine properties and property, plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition and development of the asset and includes:

- the purchase price,
- costs directly attributable to bring the asset to its location and condition necessary for it to be capable of operating in the manner intended by management,
- the initial estimate of any mine closure, rehabilitation and decommissioning obligation and
- for qualifying assets, that take a substantial period of time to get ready for their intended use, the applicable borrowing costs.



Mine properties are depreciated using the unit of production ("UOP") method, based on economically recoverable proven and probable ore reserves of the mine concerned, except in the case of those mining assets whose economic useful life is shorter than the life of the mine, in which case the straight line method is applied.

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is charged to the consolidated statement of profit or loss using the straight line method. Significant components of an item of mine properties and property, plant and equipment are separately identified and depreciated using the economic useful life of the component.

Buildings and items of plant and equipment for which the consumption of economic benefit is linked primarily to utilization or to throughput rather than production, are depreciated at varying rates on a straight line basis over their economic useful lives or the life-of-mine ("LOM"), whichever is the shorter.

Depreciation is charged to the consolidated statement of profit or loss to allocate the costs of the related assets less their residual values over the following estimated economic useful lives:

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 Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to the consolidated statement of profit or loss during the reporting period in which they are incurred. Maintenance and normal repairs which do not extend the estimated economic useful life of an asset or increase the production output are charged to the consolidated statement of profit or loss as and when incurred. The assets' residual values and estimated economic useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the consolidated statement of profit or loss.

Categories of assets	Number of years
• Mine properties	Using UOP method over the economically recoverable proven and probable reserves or straight line method over the economic useful life, whichever is shorter
• Civil works	4 - 50
• Buildings	9 - 40
• Heavy equipment	5 - 40
• Other equipment including mobile and workshop equipment, laboratory and safety equipment and computer equipment	4 - 40
• Fixed plant	4 - 20
• Office equipment	4 - 10
• Furniture and fittings	4 - 10
• Motor vehicles	4

Exploration and evaluation assets

Exploration and evaluation expenditure is expensed in the year in which it is incurred.

Exploration expenditures relates to the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration

expenditures typically include costs associated with:

- acquisition of the exploration rights to explore,
- topographical, geological, geochemical and geophysical studies,
- exploration drilling,
- trenching,
- sampling and
- activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.



Evaluation expenditures relates to the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition. Evaluation expenditures include the cost of:

- establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve,
- determining the optimal methods of extraction and metallurgical and treatment processes,
- studies related to surveying, transportation and infrastructure requirements in relation to both production and shipping,
- permitting activities and
- economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

All exploration and evaluation costs are expensed until prospective mineral exploration project is identified as having economic development potential. The information used to make that determination depends on the level of exploration as well as the degree of confidence in the ore body. Exploration and evaluation expenditures are capitalised as a tangible asset, if management determines that future economic benefits could be generated as a result of these expenditures.

Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralization of such mineral deposits, is capitalised as mine development cost following the completion of an economic evaluation equivalent to a feasibility study.

All exploration and evaluation costs incurred after management has concluded that economic benefit is more likely to be realized than not, i.e. "probable" and are capitalised as "Exploration and evaluation assets" only until the technical feasibility and commercial viability of extracting of the mineral resource are demonstrable. Once the technical feasibility and commercial viability is demonstrable i.e. economic benefit will or will not be realised, the asset is tested for impairment and any impairment loss is recognised.

Exploration and evaluation assets are carried at historical cost less impairment. Exploration and evaluation assets are not depreciated.

For the purposes of exploration and evaluation assets only, one or more of the following facts and circumstances are considered for identifying whether or not exploration and evaluation assets may be impaired. These include the following:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed,
- substantive expenditure on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned,

- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Once it has been identified that an exploration and evaluation asset may be impaired, the entity performs impairment and reversal of impairment on exploration and evaluation assets as specified in Note 4.11. Based on the final technical scope, receipt of mining license and commercial feasibility, if the economic benefit will be realized and management intends to develop and execute the mine, the exploration and evaluation asset is transferred to "Mine under construction".

Once the commissioning phase is successfully completed and the declaration of commercial production stage has been reached, the capitalized "Mine under construction" is reclassified as "Operating mines".

Cash flows attributable to capitalized exploration and evaluation assets are classified as investing activities in the consolidated statement of cash flows.

4.7 Mine properties and property, plant and equipment (continued)

Stripping activity asset and stripping activity expense

Ma'aden incurs stripping (waste removal) costs during the development and production stages of its open pit mining operations.

Stripping costs incurred during the development stage of an open pit mine in order to access the underlying ore deposit are capitalised prior to the commencement of commercial production. Such costs are then amortised over the remaining life of the ore body (for which access has improved), using the unit of production ("UOP") method over economically recoverable proven and probable reserves.

Stripping activities during production stage generally creates two types of benefits being as follows:

- production of inventory or
- improved access to a component of the ore body to be mined in the future.

Where the benefits are realized in the form of inventory produced in the period under review, the production stripping costs are accounted for as part of the cost of producing those inventories.

Where the benefits are realized in the form of improved access to a component of the ore body to be mined in the future, the costs are recognized as a non-current asset, referred to as a 'Stripping activity asset', provided that all the following conditions are met:

- it is probable that the future economic benefits associated with the stripping activity will be realized,



- the component of the ore body for which the access has been improved can be identified and
- the costs relating to the stripping activity associated with the improved access can be reliably measured.

If all of the conditions are not met, the production stripping costs are charged to the consolidated statement of profit or loss, as production costs of inventories as they are incurred.

The stripping activity asset is initially measured at cost, being the directly attributable cost for mining activity which improves access to the identified component of the ore body, plus an allocation of directly attributable overhead costs. Incidental operations occurring at the same time as the production stripping activity which are not necessary for the production stripping activity to continue as planned are not included in the cost of the stripping activity asset.

The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing mining asset, being a tangible asset (based upon the nature of existing asset) as part of mine properties in the consolidated statement of financial position. This forms part of the total investment in the relevant cash generating unit(s), which is reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

The stripping activity asset is subsequently depreciated using the UOP method over the life of the identified component of the ore body that became more accessible as a result of the stripping activity. Economically recoverable proven and probable reserves, are used to determine the expected useful life of the identified component of the ore body. The stripping activity asset is then carried at cost less accumulated depreciation and any impairment losses.

4.8 Right-of-use assets and lease liability

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

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or

rate, initially measured using the index or rate at the commencement date;

- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

4.8 Right-of-use assets and lease liability (continued)

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right-of-use assets (RoU)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of the lease term or the economic useful life of the underlying asset. If a lease transfers ownership of



the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the economic useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies **IAS 36 - Impairment** of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 4.11.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the consolidated statement of profit or loss.

4.9 Capital work-in-progress

Assets in the course of construction or development are capitalised in the capital work-in-progress account. The mine under construction or the asset under construction or development is transferred to the appropriate category in mine properties or property, plant and equipment or intangible assets (depending on the nature of the project), once the asset is in a location and / or condition necessary for it to be capable of operating in the manner intended by management.

The cost of an item of capital work-in-progress comprises its purchase price, construction / development cost and any other directly attributable to the construction or acquisition of an item intended by management. Costs associated with commissioning the items (prior to its being available for use) are capitalised net of the proceeds from the sale of any production during the commissioning period.

Borrowing costs related to qualifying assets are capitalised as part of the cost of the qualified assets until the commencement of commercial production.

Capital work-in-progress is measured at cost less any recognized impairment.

Capital work-in-progress is not depreciated.

Depreciation only commences when the assets are capable of operating in the manner intended by management, at which point they are transferred to the appropriate asset category.

4.10 Intangible assets and goodwill

Goodwill

Goodwill arising on acquisition of acquisition of a business is included in intangible assets.

Goodwill arising on acquisition of a business is carried at cost as at the acquisition date. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the cash-generating units ("CGU") that are expected to benefit from the synergies of the combination and represents the lowest level at which goodwill is monitored for internal management purposes. A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on pro-rata based on the carrying amount of each asset in the CGU.

Any impairment loss is recognized immediately in the consolidated statement of profit or loss and other comprehensive income. Impairment of goodwill is not subsequently reversed.

Customer relationships and non-core contracts

Customer relationships and non-core contracts acquired in a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses, where applicable.

Intangible assets acquired separately are initially recognised and measured at cost. Following initial recognition, intangible assets are measured at cost less accumulated amortisation and impairment losses, where applicable.

Internally generated intangibles, excluding capitalised development costs, are not capitalised. Instead, the related expenditure is recognised in the consolidated statement of profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their respective economic useful lives, using the straight-line method and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation methods, residual values and estimated economic useful lives are reviewed at least annually. The amortisation expense of intangible assets with finite lives is recognised in the consolidated statement of profit or loss within the expense category that is consistent with the function of the intangible assets. The Group amortizes intangible assets with a limited useful life using the straight-line method over the following years:



The Group tests an intangible asset with an indefinite useful life for impairment by comparing its recoverable amount with its carrying amount either annually or whenever there is an indication that the intangible asset may be impaired.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognized.

4.11 Impairment of mine properties, property, plant and equipment, right-of-use assets, capital work-in-progress and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its mine properties, property, plant and equipment, right-of-use assets, capital work-in-progress and intangible assets to determine whether there is any indication that those assets are impaired.

Categories of intangible assets	Number of years
• customer relationships	10
• non-core contracts	4
• Goodwill	Not amortised but tested for impairment

If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. An intangible asset with an

indefinite useful life is tested for impairment annually or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal ("FVLCD") or value-in-use ("VIU"). In assessing VIU, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for

which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized in the operating section of the consolidated statement of profit or loss.

Assets or CGUs (other than the goodwill component)

Categories of intangible assets	Number of years
• Infrastructure (Contractual right-to-use)	35
• Internally developed software (ERP System)	10 - 4
• Technical development	7 - 5
• Software and licenses (mine related)	Over life-of-mine using straight line method

for which an impairment loss had been previously recorded, could reverse the impairment loss allocated if, and only if, there has been a change in the estimates used in determining the asset's or CGU's recoverable amount since the last impairment loss was recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount

that would have been determined had no impairment been recognized for the asset or CGU. A reversal of an impairment loss is recognized in the operating section of the consolidated statement of profit or loss.

4.12 Inventories

Finished goods

Saleable finished goods are measured at the lower of unit cost of production for the period or net realizable value. The unit cost of production is determined as the total cost of production divided by the saleable unit output.

Cost assigned to saleable inventories on hand at the reporting date, arising from the conversion process, is determined by the unit cost of production and comprises of:

- labor costs, materials and contractor expenses which are directly attributable to the extraction and processing of ore,
- the depreciation of mining properties and leases of property, plant and equipment used in the extraction and processing of ore and the amortisation of any stripping activity assets,
- Direct production overheads and
- the revenue generated from the sale of by-products is credited against production costs.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

By-products are valued at net realizable value, with reference to the spot price of the commodities ruling at the reporting date.



Work-in-process

The cost of work-in-process is determined using unit cost of production for the period based on the percentage of completion at the applicable stage and the estimated recoverable content:

- labor costs, materials and contractor expenses which are directly attributable to the extraction and processing of ore, and production activities,
- the depreciation of mining properties and leases of property, plant and equipment used in the extraction and processing of ore, and the amortisation of any deferred stripping assets and
- Direct production overheads.

Net realizable value is the estimated selling price in the ordinary course of business using the same percentage of completion at the applicable stage, the estimated recoverable content less any selling expense.

Ore stockpiles

Ore stockpiles represent ore that has been extracted from the mine, and considered to be of future economic benefits under current prices and is available for further processing. If the ore stockpiles is not expected to be processed in the next 12 months after the reporting date, it is included in non-current assets. Cost of ore stockpiles is determined by using the weighted average cost method. If the ore is considered not to be economically viable it is expensed immediately.

If there is significant uncertainty as to when the stockpiled ore will be processed, the cost is expensed as incurred. Where the future processing of this ore can be predicted with confidence because it exceeds the mine's cut-off grade and is economically viable, it is valued at the lower of cost of production or net realizable value. Quantities and grades of stockpiles and work-in-process are assessed primarily through surveys and assays.

Spares and consumables

Spares and consumable inventory are valued at lower of cost or net realizable value. Cost is determined on the weighted average cost basis. An allowance for obsolete and slow moving items, if any, is estimated at each reporting date.

Net realizable value is the estimated selling price less selling expenses.

Raw materials

Raw materials are valued at the lower of cost or net realizable value. Cost is determined on the weighted average cost basis.

Net realizable value is the estimated selling price less selling expenses.

4.13 Trade and other receivables

Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at either amortized cost using the effective interest method less loss allowance, if any, or at fair value through profit and loss. See Note 4.16 for a description of the Group's impairment policies.

Trade receivables that do not meet the criteria for amortized cost or fair value through other comprehensive income ("FVOCI") are measured at fair value through profit or loss ("FVTPL"). Any gain or loss arising on such trade receivables, if material, is recognized in the consolidated statement of profit or loss and other comprehensive income and presented within revenue.

Employees' home ownership program receivable

Certain companies of the Group have established an employees' home ownership program (HOP) that offers eligible employees the opportunity to buy housing units constructed by the company through a series of payments over a particular number of years. Ownership of the housing unit is transferred to the employee upon completion of the full payment (Note 4.21).

Under the HOP, the housing units are classified under other non-current assets as long-term employees' home ownership program receivable upon signing of the sales contract with the eligible employees. The monthly installments paid by the employee towards the housing unit are repayable back to the employee in case the employee discontinues employment to the extent of the amounts paid in addition to the monthly housing allowance and the house is returned back to the company.

4.14 Time deposits

Time deposits include placements with banks and other short term highly liquid investments, with original maturities of more than three months but not more than one year from the date of acquisition. Time deposits are placed with financial institutions with investment grade rating, which are considered to have low credit risk, hence a provision is recognised at an amount equal to 12 month's ECL, unless there is evidence of significant increase in credit risk of the counter party.

4.15 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash held at banks and time deposits with an original maturity of three months or less at the date of acquisition, which are readily convertible in to known amounts of cash and that are subject to an insignificant risk of changes in value.

Restricted cash and cash equivalents that are not available for use by the Group and are excluded from cash and cash equivalents for the purposes of the consolidated statement of cash flows. Restricted cash and cash equivalents are related to the employees' savings plan program, see Notes 4.21 and 32.



4.16 Financial instruments, financial assets and financial liabilities

The Group recognizes a financial asset or a financial liability in its consolidated statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. The Group recognizes all of its contractual rights and obligations under derivatives in its consolidated statement of financial position as assets and liabilities.

Derivative instruments

The Group utilizes derivative instruments to manage certain market risk exposures. The Group does not use derivative financial instruments for speculative purposes, however it may choose not to designate certain derivatives as hedges for accounting purposes. The use of derivative instruments is subject to limits and the positions are regularly monitored and reported to senior management.

Interest rate swap contracts

The Group uses interest rate swap contracts to manage its exposure to interest rate movements on its long term-borrowings (Note 49.1.2).

In respect of financial assets, the Group's policy is to invest free cash at floating rates of interest and to maintain cash reserves in time deposits (less than one year) in order to maintain liquidity.

Other financial liabilities (excluding long term-borrowings and obligations under leases) are primarily non-interest bearing.

Forward exchange contracts

Foreign currency exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of movements in foreign exchange rates. The Saudi Riyal is pegged at SAR 3.75 : USD 1, therefore the Group is not exposed to any risks from USD denominated financial instruments (Note 49.1.1).

The Group's transactions are principally in SAR and US Dollars. Virtually all commodity sales contracts are with international customers (Note 8.3) and are USD priced and equally so is the bulk of the procurement and capital expenditure contracts.

The Group does not use forward exchange contracts.

Commodity contracts

The Group's earnings are exposed to movements in the prices of the commodities it produces (Note 49.1.3).

The Group's policy at the moment is to sell its products at prevailing market prices and not to hedge commodity price risk.

Provisional price contracts

Certain of the Group's sales are provisionally priced, meaning that the final selling price is determined normally 30 to 180 days after the delivery to the

customer, based on the quoted market price stipulated in the contract and as a result are susceptible to future commodity price movements.

At each reporting date, subsequent to the initial sale, the provisionally priced trade receivables are marked-to-market using the relevant forward market prices for the period stipulated in the contract. This exposure to the commodity price causes such trade receivables to fail the solely payment of principal and interest ("SPPI") test. As a result, these receivables are measured at fair value through profit or loss ("FVTPL") from the date of recognition of the corresponding sale, with subsequent marked-to market adjustments recognized in fair value gains / (losses) on provisionally priced products and the carrying amount of the outstanding trade receivable, if material. Such fair value gains (losses) on provisionally priced products are presented within revenue.

Financial assets

The Group's principal financial assets include:

- jointly controlled entities (equity accounted for) - (Accounting policy 4.1),
- other investment in securities, where the Group's intention is to hold it to maturity,
- derivative financial instruments,
- trade and other receivables - excluding pre-payments and zakat / income tax receivables - (Accounting policy 4.13),
- time deposits (Accounting policy 4.14) and
- cash and cash equivalents (Accounting policy 4.15)

They are derived directly from the Group's operations.

Initial recognition of financial assets

Financial assets are initially recognized at fair value on the trade date, including directly attributable transaction costs.

A trade receivable without a significant financing component is recognized at its transaction price. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset.

Subsequently, financial assets are carried at fair value or at amortized cost less impairment.

Classification of financial assets

Financial assets are classified into one of the following three categories, based on the business model in which the financial asset and its contractual cash flow characteristics are managed:

- measured at amortized cost ("AC"), Fair value
- fair value through profit or loss ("FVTPL") and
- fair value through other comprehensive income ("FVOCI").

Derivatives embedded in contracts where the host is a financial asset is never bifurcated and the whole hybrid instrument is assessed for classification



Impairment and uncollectibility of financial assets

At each reporting date, the Group measures the loss allowance for a financial asset (using the Expected credit loss ("ECL") model) at an amount equal to the lifetime expected credit losses, if the credit risk on that financial asset has increased significantly since initial recognition.

However, if at the reporting date, the credit risk on that financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Regardless of the change in credit risk, loss allowances on trade receivables that do not contain a significant financing component are calculated at an amount equal to lifetime expected credit losses.

Such impairment losses are recognized in the consolidated statement of profit or loss.

Derecognition of financial assets

The Group derecognizes financial assets only when the contractual rights to receive cash flows from the financial assets have expired, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity.

Gains and losses arising on derecognition of financial assets are recognized in the consolidated statement of profit or loss.

Financial liabilities

The Group's principal financial liabilities comprise of:

- long-term borrowings (Accounting policy 4.17),
- lease liability (Accounting policy 4.20),
- derivative financial instruments,
- projects, trade and other payables – excluding zakat / income tax liabilities and employees' end of service termination benefits obligations - (Accounting policy 4.22) and
- accrued expenses (Accounting policy 4.22)

The main purpose of these financial liabilities is to finance the Group's operations and to guarantees support for the operations.

Initial recognition of financial liabilities

Financial liabilities are initially recognized at the fair value of the consideration received net of any directly attributable transaction costs, as appropriate. Subsequently, financial liabilities are carried at amortized cost.

Long-term borrowings are initially recognized at the fair value (being proceeds received, net of eligible transaction costs incurred, if any).

Subsequent to initial recognition long-term borrowings

are measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the consolidated statement of profit or loss over the period of the long-term borrowings using the effective interest rate method.

4.16 Financial instruments and financial assets and financial liabilities (continued)

Classification of financial liabilities

Financial liabilities are classified and subsequently measured at amortized cost except for the following:

- financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies,
- financial guarantee contracts which are measured at the higher of the amount of loss allowance and the amount initially recognized and
- commitments to provide a loan at below market interest rate which shall be measured at the higher of the amount of loss allowance, the amount initially recognized and the contingent consideration in case of a business combination.

Derecognition of financial liabilities

The Group derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized as a gain or a loss in the consolidated statement of profit or loss.

Long-term borrowings are derecognized from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized as a gain in consolidated statement of profit or loss as other income or finance cost.

Offsetting a financial asset and a financial liability

A financial asset and a liability is offset and the net amount reported in the consolidated financial statements, when the Group has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously.

4.17 Long-term borrowings

Long-term borrowings are initially recognised at their fair value (being proceeds received, net of eligible transaction costs incurred, if any). Subsequent to initial recognition long-term borrowings are measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of profit or



loss over the period of the long-term borrowings using the effective interest rate method.

Up-front fees paid on the establishment of the loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised during the period of time that is required to complete and prepare the qualifying asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred in the consolidated statement of profit or loss.

4.18 Provisions

Provisions are recognised when the Group has:

- a present legal or constructive obligation as a result of a past event,
- it is probable that an outflow of economic resources will be required to settle the obligation in the future and
- a reliable estimate can be made of the amount of the obligation

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects time value of money, where appropriate and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as part of the finance cost in the consolidated statement of profit or loss.

4.19 Provision for decommissioning, site rehabilitation and dismantling obligations

The mining, extraction and processing activities of the Group normally give rise to obligations for mine closure, decommissioning, site rehabilitation and plant dismantling (collectively referred to as "decommissioning site rehabilitation and dismantling obligations"). Decommissioning and site restoration work can include:

- facility decommissioning and dismantling of plant and buildings,

- removal or treatment of waste materials and
- site and land rehabilitation.

The extent of the work required and the associated costs are dependent on the requirements of current laws and regulations.

The full estimated cost is discounted to its present value and capitalised as part of "Mine under construction" and once it has been transferred to "Mine properties" it is then depreciated as an expense over the expected life-of-mine using the UOP method.

Costs included in the provision includes all decommissioning obligations expected to occur over the life-of-mine and at the time of closure in connection with the mining activities being undertaken at the reporting date. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognised as an expense when the event gives rise to an obligation which is probable and capable of reliable estimation. The timing of the actual decommissioning expenditure is dependent upon a number of factors such as:

- the life-of-mine,
- developments in technology,
- the operating license conditions,
- the environment in which the mine operates and
- changes in economic sustainability.

Adjustments to the estimated amount and timing of future decommissioning cash flows are a normal occurrence in light of the significant judgments and estimates involved. Such adjustments are recorded as an increase in liability and a corresponding increase in the mine related asset. Factors influencing those adjustments include:

- revisions to estimated ore reserves, mineral resources and lives of mines,
- developments in technology,
- Regulatory requirements and environmental management strategies,
- changes in the estimated extent and costs of anticipated activities, including the effects of inflation and
- changes in economic sustainability.

4.20 Leases

Leases are classified as finance leases whenever the lease transfers substantially all of the risks and rewards incidental to ownership of the asset to the lessee. Finance leases are capitalised on the lease's commencement date at the lower of the fair value of the leased property or the present value of the minimum future lease payments.

Each finance lease payment is allocated between settling the principal amount of the liability and the finance cost. The corresponding lease obligations, net of finance cost, are included in non-current liabilities. The finance cost element is charged to the consolidated statement of profit or loss over the lease term so as to produce a constant periodic rate of interest on the



remaining balance of the liability for each accounting period. An asset acquired under finance leases is depreciated over the shorter of the economic useful life of the asset or the lease term.

All other leases are classified as operating leases. Payments made under operating leases are charged to the consolidated statement of profit or loss on a straight line basis over the term of the operating lease.

4.21 Employees' benefits

Employees' savings plan program

In accordance with Article 145 of the Labor Regulations, and in furtherance to Article 76 of the Company's Internal Work Regulation, approved by resolution No. 424 dated 6th of Rabi II 1420H (corresponding to 19 July 1999), issued by His Highness the Minister of Labor and Social Affairs, a Savings Plan Program was introduced to encourage the Saudi employees of the Group to save and invest their savings in areas more beneficial to them, to secure their future and as an incentive for them to continue working with the Group.

Participation in the Savings Plan Program is restricted to Saudi Nationals only and optional with employees required to contribute a monthly minimum installment of 1% to a maximum of 15% of their basic salary subject to a minimum of SAR 300 per month.

The Group will contribute an amount equaling 10% of the monthly savings of each member per year for the first year and increase it by 10% per year in the years there after until it reaches 100% in the 10th year and continue contributing 100% from year 11 onwards, which will in turn be credited to the savings accounts of the employee. The Group's portion is charged to consolidated statement of profit or loss on a monthly basis. The Group's portion will only be paid to the employee after the expiry of 10 years upon termination or resignation.

Other short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled in full, 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 consolidated statement of financial position.

Employees' home ownership program

The program has three categories:

Housing project

Certain companies within the Group have established employees' home ownership program (HOP) that offer eligible employees the opportunity to buy housing units constructed by these subsidiaries through a series of payments over a particular number of years. Ownership of the housing unit is transferred upon completion of full payment.

Under the HOP, the housing units are classified under other non-current assets as long-term employees' receivable upon signing of the sales contract with the eligible employees. The monthly installments paid by the employee towards the housing unit are repayable back to the employee in case the employee discontinues employment to the extent of the amounts paid in addition to the monthly housing allowance and the house is returned back to the Group.

Home loan

Certain companies within the Group provides an interest free loan to an eligible employee to purchase or build his own house by mortgaging the property in the company's name as a security. The repayment of the loan is deducted from the employee's salary in monthly installments.

The interest cost associated with the funding of the acquisition or construction of the employee's house is borne by the Company in accordance with the approved HOP, and expensed as part of finance cost.

HOP furniture loan

Certain companies within the Group provides a furniture loan to an eligible employee which is to be written-off equally over a 5-year period. In case the employee resigns or his services is terminated for any reason before completion of the stated period, the employee will be required to pay the remaining balance of the furniture loan.

Employees' end-of-service termination benefits obligation

The liability recognized in the consolidated statement of financial position, in respect of the defined end-of-service-benefits obligation, is the present value of the employees' end-of-service termination benefits obligation at the end of the reporting period. The employees' end of service termination benefits obligation is calculated annually by independent actuaries using the projected unit credit method.

Since the Kingdom of Saudi Arabia has no deep market in high-quality corporate bonds, the market rates of high-quality corporate bonds of the United States of America are used to present value the employees' end of service termination benefits obligation by discounting the estimated future cash outflows.

The net finance cost is calculated by applying the discount rate to the net balance of the employees' end-of-service termination benefits obligation. This cost is included in employee benefit expense in the consolidated statement of profit or loss.



Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in the consolidated statement of other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated statement of financial position.

Changes in the present value of the employees' end-of-service termination benefits obligation resulting from plan amendments or curtailments are recognized immediately in the consolidated statement of profit or loss as past service costs.

4.22 Projects, other payables and accrued expenses

Liabilities in respect of contract costs for capital projects (including trade payables) are recognised at amounts to be paid for goods and services received. The amount recognised is discounted to the present value of the future obligations using the respective entity's incremental borrowing rate; unless they are due in less than one year.

Liabilities in respect of other payables are recognised at amounts expected to be paid for goods and services received.

4.23 Zakat, income tax, withholding tax and deferred tax

Companies with only Saudi shareholders

The Company is subject to zakat in accordance with the regulations of the General Authority of Zakat and Tax (the "GAZT"). A provision for zakat for the Company and zakat related to the Company's wholly owned subsidiaries is estimated at the end of each reporting period and charged to the consolidated statement of profit or loss. Differences, if any, at the finalization of final assessments are accounted for when such amounts are determined.

Mix companies with foreign shareholders

The subsidiaries with foreign shareholders are subject to zakat for their Saudi shareholders and income tax for their foreign shareholders in accordance with the regulations of the GAZT. A provision for zakat and income tax for the mix companies is charged to the consolidated statement of profit or loss. Differences, if any, at the finalization of final assessments are accounted for when such amounts are determined.

Zakat and income tax related to the minority shareholders in certain subsidiaries is included in their share of non-controlling interest in the consolidated statement of profit or loss.

The tax expense includes the current tax and deferred tax charge recognized in the consolidated statement of profit or loss.

Current tax payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of profit or loss

because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

4.23 Zakat, income tax, withholding tax and deferred tax (continued)

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill or of an asset or liability in a transaction (other than in a business combination) that affects neither taxable profit nor accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, joint arrangements and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to the consolidated statement of profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also taken directly to equity.

The Group withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

4.24 Severance fees

Effective from year 2005 onwards, as per Article No. 71 of the Saudi Mining Investment Code issued based on the Royal Decree No. 47/M dated 20 Sha'aban 1425H (corresponding to 4 October 2004), the Group is required to pay to the Government of Saudi Arabia severance fee representing 25% of the annual net income per mining license or the equivalent of the hypothetical income tax, whichever is the lower. The Zakat due shall be deducted from gross severance fee and the net severance fee amount is shown as part of cost of sales in the consolidated statement of profit or loss (Notes 9 and 46).



The minimum severance fee payable is SAR 90,000 if the minimum mining capacity is not achieved. Provision for severance fees is charged to the cost of sales in the consolidated statement of profit or loss and is not included in the valuation of inventory.

In mix companies with foreign shareholders, only the Saudi shareholders are liable for paying severance fees on their share of the net profit attributable to the particular mining license. The Saudi shareholder can deduct the zakat due by them from their severance fee liability. The foreign shareholders are exempt from paying severance fees on their share of net profit attributable to the particular mining license, however, they pay income tax at a rate of 20%.

5. Business combination

On 8 August 2019, the Group, through its subsidiary MMDC, completed the acquisition of 85% of the issued share capital of Meridian Consolidated Investment Limited ("MCIL") and its subsidiaries (Meridian Group or Meridian) carrying full voting rights, a leading fertilizer distribution company operating in East Africa, after obtaining all the necessary regulatory and legal approvals for a total consideration of SAR 436,856,535. Ma'aden has acquired Meridian to build a fertilizer distribution network business in the most important global fertilizer markets in East Africa. Meridian operations are focused on selling fertilizer through its distribution network of facilities including fertilizer

Minerals	Basis	Rate
Low grade bauxite	Actual metric tonnes sold	SAR 1.50 per metric tonne
Kaolin	Actual metric tonnes sold	SAR 2.25 per metric tonne
Magnesia / Dead burned magnesia / Monolithic	Actual metric tonnes sold	SAR 4.50 per metric tonne

granulation and blending plants, warehouses and port facilities across Malawi, Zimbabwe, Zambia and Mozambique.

These consolidated financial statements include the results of the Meridian from the date the control was transferred to the Group. Revenue generated by the Meridian business for the period from the acquisition date of 8 August 2019 to 31 December 2019 was SAR 643 million and the net profit for the same period was SAR 93 million. However, if the acquisition had occurred on 1 January 2019, management estimated that consolidated revenue of the Group would have increased by SAR 463 million and the consolidated net profit would have increased by SAR 2 million for the year ended 31 December 2019.

The acquisition has been accounted for as a business combination in accordance with IFRS 3, using the acquisition method where the acquired tangible and intangible assets and the assumed liabilities are recorded at their fair values at the date of acquisition. The Group has allocated and completed the purchase price allocation ("PPA") of the identified assets acquired and the liabilities and contingent liabilities assumed.

The fair values of the assets and liabilities as of the acquisition date are summarized below:



		Fair values on acquisition 8 August 2019	Adjustments from purchase price allocation	Carrying values on acquisition 8 August 2019
Notes				
Assets				
Non-current assets				
Property, plant and equipment	19	175,000,673	-	175,000,673
Capital work-in-progress	21	11,258,503	-	11,258,503
Intangible assets	22	86,053,224	85,875,000	178,224
Deferred tax assets	24.2	6,383,507	-	6,383,507
Other non-current assets		-	-	-
		278,695,907	85,875,000	192,820,907
Current assets				
Advances and prepayments	28	13,959,829	-	13,959,829
Inventories	29	498,306,942	42,000,000	456,306,942
Trade and other receivables	30	152,595,393	-	152,595,393
Cash and cash equivalents	5.2	105,154,606	-	105,154,606
		770,016,770	42,000,000	728,016,770
Total assets		1,048,712,677	127,875,000	920,837,677
Liabilities				
Non-current liabilities				
Non-current portion of long-term borrowings	38	97,206,550	-	97,206,550
Deferred tax liabilities	24.3	44,291,014	35,250,000	9,041,014
		141,497,564	35,250,000	106,247,564
Current liabilities				
Trade and other payables	43	247,723,304	-	247,723,304
Accrued expenses	44	42,666,436	-	42,666,436
Current portion of long-term borrowings	38	286,195,688	-	286,195,688
Tax payable	45.5	1,967,678	-	1,967,678
		578,553,106	-	578,553,106
Total liabilities		720,050,670	35,250,000	684,800,670
Total net identifiable assets	5.1	328,662,007	92,625,000	236,037,007

5 Business combination (continued)

5.1 Goodwill recognized as at the acquisition date

	Notes	Total
As at the acquisition date		
Total net identifiable assets	5	328,662,007
Non-controlling interest		(2,320,016)
Sub-total		326,341,991
Ma'aden share of net assets at 85% shareholding	5	277,390,692
Cash paid to shareholders of Meridian Group		436,856,535
Goodwill recognized at the date of acquisition	22	159,465,843

5.2 Acquisition cost net of cash and cash equivalents acquired

	Notes	Total
Cash paid to the shareholders of Meridian Group		436,856,535
Less: Cash and cash equivalent of Meridian acquired as at the acquisition date	5	(105,154,606)
Net cash outflow as at the acquisition date of Meridian Group		331,701,929

5.3 Non-controlling interest as at the acquisition date

	Notes	Total
As at the acquisition date		
Total net identifiable assets	5	328,662,007
Non-controlling interest		(2,320,016)
		326,341,991
Non-controlling interest share of net assets at 15% shareholding	5	48,951,299
Add: Non-controlling interest of Meridian Group		2,320,016
Total	36.3	51,271,315

6. Critical accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS and other standards and pronouncements that are issued by SOCPA, as endorsed in the Kingdom of Saudi Arabia, requires the Group's management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying accounting disclosures, and the disclosures of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continually evaluated and are based on management's historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The accounting estimates will, by definition, seldom equal the related actual results.



6.1 Critical accounting judgements in applying accounting standards

The following critical judgements have the most significant effect on the amounts recorded in the consolidated financial statements:

- impairment testing of goodwill
- economic useful lives of mine properties, property, plant and equipment
- impairment and the reversal of impairment of tangible assets
- identification of CGUs
- right-of-use assets and lease liabilities
- zakat and income tax
- exploration and evaluation expenditure
- stripping costs
- commercial production start date

Impairment testing of goodwill

The Group's management tests, on an annual basis, whether goodwill arising on consolidation has suffered any impairment. This requires an estimation of the recoverable amounts of the CGU to which goodwill has been allocated. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used in computation of terminal value. The key assumptions used in determining the recoverable amounts are set out in Note 22.

Economic useful lives of mine properties, property, plant and equipment

The Group's assets, classified within mine properties, are depreciated / amortized on a UOP basis over the economically recoverable proven and probable ore reserves of the mine concerned, except in the case of those mining assets whose economic useful life is shorter than the life-of-mine, in which case the straight line method is applied. When determining the life-of-mine, assumptions that were valid at the time of estimation, may change when new information becomes available.

The factors that could affect estimation of the life-of-mine include the following:

- changes in proven and probable ore reserves,
- the grade of ore reserves varying significantly from time to time,
- differences between actual commodity prices and commodity price assumptions used in the estimation and classification of ore reserves,
- unforeseen operational issues at mine sites and
- changes in capital, operating, mining, processing and reclamation costs, discount rates could possibly adversely affect the economic viability of ore reserves.

Any of these changes could affect prospective depreciation of mine properties and their carrying value. The economic useful lives of non-mining property, plant and equipment is reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Group. The Group's assets, classified within property, plant and equipment, are depreciated on a straight line basis over their economic useful lives.

Impairment and the reversal of impairment of tangible assets

The Group reviews the carrying amounts of its tangible assets i.e. mine properties, property, plant and equipment, right-of-use assets, capital work-in-progress to determine whether there is any indication that those assets are impaired or whether there is any indicator that an impairment loss recognized in previous years may no longer exist or may have decreased.

Identification of CGUs

The classification of assets into CGUs requires significant judgement and interpretations with respect to the integration between assets, generation of independent cash flows by the assets, the existence of active markets, external users, and the way in which management monitors the CGU's operations.

Right-of-use assets and lease liabilities

Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Zakat and income tax

The Company and its three wholly owned subsidiaries are subject to zakat, whereas, the subsidiaries with foreign shareholders are subject to zakat for their Saudi shareholders and income tax for their foreign shareholders in accordance with the regulations of the GAZT.

A provision for zakat and income tax is estimated at the end of each reporting period in accordance with the regulations of the GAZT and on a yearly basis zakat and income tax returns are submitted to the GAZT. Differences, if any, at the finalization of final assessments are accounted for when such amounts are determined.

Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

In addition to applying judgement to determine whether future economic benefits are likely to arise from the Group's exploration and evaluation assets or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Group has to apply a number of estimates and assumptions.

Stripping costs

Significant judgement is required to distinguish between development stripping and production stripping and to distinguish between the production stripping that relates to the extraction of inventory and that which relates to giving access to a component of the ore body to be mined in the future, which then give rise to the creation of a stripping activity asset.

Once the Group has identified its production stripping for each surface mining operation, it identifies the separate components of the ore bodies for each of its mining operations.

An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Significant judgement is required to identify and define these components, and also to determine the expected volumes (e.g., in tonnes) of waste to be stripped and ore to be mined in each of these components. These assessments are undertaken for each individual mining operation based on the information available in the mine plan. The mine plans and, therefore, the identification of components, will vary between mines for a number of reasons. These include, but are not limited to, the type of commodity, the geological characteristics of the ore body, the geographical location and/or financial considerations.

Judgement is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each component. The Group considers that the ratio of the expected volume (e.g., in tonnes) of waste to be stripped for an expected volume (e.g., in tonnes) of ore to be mined for a specific component of the ore body, is the most suitable production measure.

Commercial production start date

Commercial production is achieved when assets are capable of operating in the manner envisaged by the entity's management which is generally when the related assets are capable of operating continuously at a nominated percentage of design capacity.

The decision on when commercial production for mining related assets is achieved is however judgmental and should be based after discussions between the accountants, engineers and metallurgists. Consideration should be taken of the following list of non-exhaustive factors, such as:

- a nominated percentage of design capacity for a mine or a mill,
- mineral recoveries at or near expected levels,
- achievement of continuous production and
- the level of future capital expenditure still to be incurred.

Various aspects of the mining / production process (e.g. mine, mill, refinery, processing plant, etc.) needs to be considered separately when concluding on when commercial production has commenced, especially if one aspect of the process has commenced production in advance of the others. Once the mine is capable of commercial production, depreciation should commence.

6.2 Key sources of estimation uncertainty

The following are the key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year:

- mineral resource and ore reserve estimates,
- mine decommissioning obligation,
- allowances for obsolete and slow moving spare parts and
- Non-controlling interest call and put options
- contingencies.

Mineral resource and ore reserve estimates

There is a degree of uncertainty involved in the estimation and classification of mineral resource and ore reserve and corresponding grades being mined or dedicated to future production. Until mineral resource and ore reserve are actually mined and processed, the quantity of mineral resource and ore reserve grades must be considered as estimates only. Further, the quantity of mineral resource and ore reserve may vary depending on, amongst other things, metal prices and currency exchange rates.

The ore reserve estimates of the Group have been determined based on long-term commodity price forecasts and cut-off grades. Any material change in the quantity of reserves, grades or stripping ratio may affect the economic viability of the properties. In addition, there can be no assurance that gold recoveries or other metal recoveries in small scale laboratory tests will give the same result in larger scale tests under on-site conditions or during production.

Fluctuation in commodity prices, the results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require estimates to be revised. The volume and grade of ore reserves mined and processed and recovery rates may not be the same as currently anticipated. Any material reductions in estimates of ore reserves and mineral resources, or of the Group's ability to extract these mineral contents, could have a material adverse effect on the Group's business, prospects, financial condition and operating results.

Mine decommissioning obligation

The Group's mining and exploration activities are subject to various environmental laws and regulations. The Group estimates environmental obligations based



on management's understanding of the current legal requirements in the Kingdom of Saudi Arabia, terms of the license agreements and engineering estimates.

Provision is made for decommissioning as soon as the obligation arises. Actual costs incurred in future years could differ materially from the amounts provided. Additionally, future changes to environmental laws and regulations and life-of-mine estimates could affect the carrying amount of this provision.

Allowances for obsolete and slow moving spare parts

The Group also creates an allowance for obsolete and slow-moving spare parts. At 31 December 2019, the allowance for obsolete slow-moving items amounted to SAR 93,103,074 (31 December 2018: SAR 92,692,378). These estimates take into consideration fluctuations of price or cost directly relating to events occurring subsequent to the consolidated statement of financial position date to the extent that such events confirm conditions existing at the end of the year (Note 29.1).

Non-controlling interest put options

The fair value of non-controlling interest call and put options are recognized at the present value of redemption amount based on the discounted cash flow analysis. The Group estimates the non-controlling interest call and put options price at each reporting period in accordance with the formula defined in the shareholders agreement between Ma'aden and Meridian. Further details are explained in Note 43.3 of these consolidated financial statements.

Contingencies

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

7 Segmental information

Segment reporting

Operating business segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

The Group has appointed a committee (the Management Committee) which assesses the financial performance and position of the Group, and makes strategic decisions. The Management Committee comprises the President and Chief Executive Officer and other senior management personnel.

7.1 Business segment

A business segment is a component of the Group:

- that engages in business activities from which it may earn revenues and incur expenses,
- the results of its operations are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment and
- for which discrete financial information is available.

Transactions between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties is measured in the same way as in the consolidated statement of profit or loss.

The accounting policies used by the Group in reporting business segments internally are the same as those contained in Note 4 of the consolidated financial statements.

The Group's operations consist of the following business segments:

- **Phosphate Strategic Business Unit Segment**, consist of operations related to:
 - **MPC** - the mining and beneficiation of phosphate concentrated rock at Al-Jalamid. The utilization of natural gas and sulphur to produce phosphate fertilizers as well as ammonia products at Ras-Al-Khair.
 - **IMC** - the mining of industrial minerals at a kaolin and low grade bauxite mine in the central zone of Az-Zabirah and a high grade magnesite mine at Al-Ghazallah, Multiple Hearth Furnace (MHF) processing plant and a Vertical Shaft Kiln (VSK) processing plant at Al-Madinah Al Munawarah.
 - **MWSPC** - the development of a mine to exploit the Al-Khabra phosphate deposit. The company declared commercial production on 2 December 2018, except for the ammonia plant for which commercial production was declared on 1 January 2017.
 - **MMDC** - a vehicle for Ma'aden to build a fertilizer distribution business in the most important global fertilizer markets.
 - **Phosphate and Industrial Minerals division under Corporate** - related cost and exploration expenses in Ma'aden Corporate has been allocated to this segment.
 - **MIC** - is responsible for the development, construction and delivery of services to Ma'aden entities in the Ras Al Khair area and other mining and industrial locations in the Kingdom of Saudi Arabia. Therefore, a 33% proportionate share of MIC's revenues, costs and assets have been allocated to this segment.
- **Aluminium Strategic Business Unit Segment**, consists of the operations related to:
 - **MBAC** - the mining of bauxite at the Al-Ba'itha mine and the transportation thereof to its refinery at Ras Al Khair. The alumina from MBAC is then processed at Ma'aden Aluminum Company (MAC). The refinery declared commercial production on 1 October 2016.
 - **MAC** - operates the smelter at Ras-Al-Khair and it currently processes the alumina feedstock that it purchases from MBAC and produces primary aluminium products. Ma'aden Aluminum Company (MAC) declared commercial production on 1 September 2014.
 - **MRC** - the construction of the rolling mill has been completed and the company has declared



commercial production on 9 December 2018. MRC also include automotive sheet project which comprise of automotive heat treated and non-treated sheet, building and construction sheet and foil stock sheet. The project commenced commercial production on 1 September 2019.

- **Aluminium division under Corporate** – related cost and external sales revenue have been allocated to this segment.
- **MIC** – is responsible for the development, construction and delivery of services to Ma'aden entities in the Ras Al Khair area and other mining and industrial locations in the Kingdom of Saudi Arabia. Therefore, a 67% proportionate share of MIC's revenues, costs and assets have been allocated to this segment.

- **Precious and Base Metals Strategic Business Unit Segment**, consists of operations related to:

- **MGBM** – that operates five gold mines, i.e. Mahd Ad-Dahab, Al-Amar, Bulghah, As-Suq and Ad-Duwayhi and a processing plant at Sukhaybarat which are located in different geographical areas in the Kingdom of Saudi Arabia.
- **MBCC** – a joint venture that produces copper concentrate and associated minerals located in the southeast of Al Madinah Al Munawarah. MBCC started commercial production on 1 July 2016.
- **Precious and base metals division under Corporate**

– related cost and exploration expenses in Ma'aden Corporate has been allocated to this segment.

- **Corporate**

Is responsible for effective management and governance including funding of subsidiaries and joint ventures that carry out various projects related to all stages of the mining industry, including development, advancement and improvement of the mineral industry, mineral products and by-products. The presentation of Corporate information does not represent an operating segment.



7.2 Business segment financial information

	Notes	Phosphate
31 December 2019		
Sales of goods and services to external customers	7.3,8	8,250,311,335
Gross profit		757,821,970
Net (loss) / profit before zakat and income tax		(973,439,404)
Less: Income from time deposits	14	(40,942,146)
Add: Finance cost	15	1,174,201,067
Net profit / (loss) before net finance income / (cost), zakat and income tax		159,819,517
<u>Operating special items and re-measurements:</u>		
Add: Impairment of non-current assets, net	13	-
Add: Non-operating other (income) / expenses, net	16	(16,841,408)
Less: Share in net loss / (profit) of joint ventures	23.2.3 ,23.1.3	-
Underlying EBIT		142,978,109
Add: Depreciation and amortization		2,389,717,798
Underlying EBITDA		2,532,695,907
Net (loss) / profit attributable to ordinary shareholders of the parent company		(508,617,112)
Mine properties	18	5,875,299,566
Property, plant and equipment	19	33,435,100,376
Right-of-use assets	20	252,605,378
Capital work-in-progress	21	1,079,730,014
Intangible assets	22	248,137,485
Investment in joint ventures	23	-
Total assets		48,238,876,523
Long-term borrowings	38	28,037,439,188
Lease liability	40	196,094,050
Total liabilities		32,285,237,755

Aluminum	Precious and base metals	Corporate	Total
7,399,762,355	2,086,204,896	-	17,736,278,586
841,764,092	704,132,524	-	2,303,718,586
(496,664,178)	592,628,523	(233,377,933)	(1,110,852,992)
(23,953,695)	-	(140,507,659)	(205,403,500)
1,102,326,490	43,315,988	81,520,369	2,401,363,914
581,708,617	635,944,511	(292,365,223)	1,085,107,422
-	35,245,038	-	35,245,038
(59,062,468)	(11,341,637)	(144,737)	(87,390,250)
77,177,820	(189,255,551)	-	(112,077,731)
599,823,969	470,592,361	(292,509,960)	920,884,479
1,670,493,292	505,514,305	70,740,350	4,636,465,745
2,270,317,261	976,106,666	(221,769,610)	5,557,350,224
(490,682,219)	581,697,221	(321,861,828)	(739,463,938)
1,409,389,363	2,760,640,902	-	10,045,329,831
30,939,408,549	2,867,279	119,062,452	64,496,438,656
1,136,370,715	24,122,709	3,641,052	1,416,739,854
1,655,192,054	370,500	12,282,782	2,747,575,350
52,796,645	7,128,537	48,034,865	356,097,532
190,008,000	926,708,693	-	1,116,716,693
40,370,153,946	4,370,102,108	4,678,464,471	97,657,597,048
20,726,122,968	829,930,447	-	49,593,492,603
1,042,155,639	24,667,434	3,683,187	1,266,600,310
24,479,614,121	1,619,015,365	880,797,042	59,264,664,283



7.2 Business segment financial information (continued)

	Notes	Phosphate
31 December 2018		
Sales of goods and services to external customers	7.3,8	6,526,171,154
Gross profit		2,249,787,473
Net profit / (loss) before zakat and income tax		1,411,641,219
Less: Income from time deposits	14	(1,868,678)
Add: Finance cost	15	567,155,579
Net profit / (loss) before net finance income / (cost), zakat and income tax		1,976,928,120
Operating special items and re-measurements:		
Less: (Reversal) / impairment of non-current assets, net	13	-
Add: Non-operating other expenses / (income), net	16	4,533,631
Less: Share in net profit of joint ventures	23.2.3 ,23.1.3	-
Underlying EBIT		1,981,461,751
Add: Depreciation and amortization		1,308,644,406
Underlying EBITDA		3,290,106,157
Net profit / (loss) attributable to ordinary shareholders of the parent company		984,613,329
Mine properties	18	6,058,767,989
Property, plant and equipment	19	34,878,050,706
Capital work-in-progress	21	798,186,784
Intangible assets	22	79,112,741
Investment in joint ventures	23	-
Total assets		48,319,810,255
Long-term borrowings	38	29,524,991,096
Finance lease liability	40	-
Total liabilities		32,712,777,659

	Aluminum	Precious and base metals	Corporate	Total
	5,668,251,288	1,976,337,478	-	14,170,759,920
	1,962,791,410	674,401,183	-	4,886,980,066
	750,229,795	604,412,378	(231,889,246)	2,534,394,146
	(3,132,770)	-	(118,940,674)	(123,942,122)
	1,095,315,896	51,175,867	39,756,278	1,753,403,620
	1,842,412,921	655,588,245	(311,073,642)	4,163,855,644
	(65,059,239)	18,579,156	-	(46,480,083)
	(12,705,194)	9,930,355	1,566,818	3,325,610
	-	(143,535,306)	-	(143,535,306)
	1,764,648,488	540,562,450	(309,506,824)	3,977,165,865
	1,421,577,773	442,332,758	20,676,499	3,193,231,436
	3,186,226,261	982,895,208	(288,830,325)	7,170,397,301
	632,241,436	590,810,902	(359,748,587)	1,847,917,080
	1,456,889,667	2,529,385,198	-	10,045,042,854
	31,472,799,563	6,941,191	124,561,684	66,482,353,144
	1,380,055,843	1,799,378	16,987,280	2,197,029,285
	199,861,130	15,938,223	45,275,788	340,187,882
	345,934,239	1,077,591,845	-	1,423,526,084
	39,655,652,814	4,150,514,327	6,012,276,032	98,138,253,428
	24,040,406,366	1,001,090,866	-	54,566,488,328
	-	27,183,780	-	27,183,780
	26,654,979,891	1,612,290,003	463,779,627	61,443,827,180



7.3 Geographical segment

A geographical segment is a group of assets, operations or entities engaged in revenue producing activities within a particular economic environment that are subject to risks and returns different from those operating in other economic environments. The Group's operations are conducted in the Kingdom of Saudi Arabia and East Africa (Note 2) and therefore all the non-current assets of the Group are located within the Kingdom of Saudi Arabia and East Africa.

The Group's geographical distribution of revenue generation by destination for the year ended is as follows:

	Notes	
31 December 2019		
International		
Indian subcontinent and Asia-Pacific		
Brazil, Singapore, GCC MENA, Africa, Europe, Latin America and North America		
Switzerland and others		
Sub-total		
Domestic		
Total	7.2,8	
31 December 2018		
International		
Indian subcontinent and Asia-Pacific		
Brazil, Singapore, GCC MENA, Africa, Europe, Latin America and North America		
Switzerland and others		
Sub-total		
Domestic		
Total	7.2,8	

The Group's geographical distribution of external revenue by major customers and by destination for the year ended are as follows:

	Notes	
31 December 2019		
Customer No. 1 – Switzerland		
Customer No. 2 – Indian subcontinent		
Customer No. 3 – Spain		
31 December 2018		
Customer No. 1 – Switzerland		
Customer No. 2 – Spain		
Customer No. 3 – Indian subcontinent		



	Phosphate	Aluminium	Precious and base metals	Corporate	Total
	4,696,572,388	906,668,770	-	-	5,603,241,158
	2,195,660,321	4,142,722,119	3,372,485	-	6,341,754,925
	1,289,339,757	1,096,695,005	2,082,832,411	-	4,468,867,173
	8,181,572,466	6,146,085,894	2,086,204,896	-	16,413,863,256
	68,738,869	1,253,676,461	-	-	1,322,415,330
	8,250,311,335	7,399,762,355	2,086,204,896	-	17,736,278,586

	4,608,663,724	1,319,894,504	-	-	5,928,558,228
	879,535,863	2,834,019,786	7,742,530	-	3,721,298,179
	994,632,486	749,495,298	1,968,594,948	-	3,712,722,732
	6,482,832,073	4,903,409,588	1,976,337,478	-	13,362,579,139
	43,339,081	764,841,700	-	-	808,180,781
	6,526,171,154	5,668,251,288	1,976,337,478	-	14,170,759,920

	Phosphate	Aluminium	Precious and base metals	Corporate	Total
	-	-	2,007,245,243	-	2,007,245,243
	1,195,608,750	-	-	-	1,195,608,750
	-	957,813,474	-	-	957,813,474
	-	-	1,845,612,416	-	1,845,612,416
	-	1,165,530,810	-	-	1,165,530,810
	916,534,000	-	-	-	916,534,000



7.3 Geographical segment (continued)

The Group's revenue generation by product for the year ended are as follows:

	Notes	
31 December 2019		
Ammonia phosphate fertilizer and ammonia		
Low grade bauxite, caustic calcined magnesia, dead burned magnesia and monolithic		
Primary aluminium		
Alumina		
Flat rolled products		
Gold		
Infrastructure (rendering of services)		
Others		
Total	7.2,8	

The Group's revenue generation by product for the year ended are as follows:

	Notes	
31 December 2018		
Ammonia phosphate fertilizer and ammonia		
Low grade bauxite, caustic calcined magnesia, dead burned magnesia and monolithic		
Primary aluminium		
Alumina		
Flat rolled products		
Gold		
Infrastructure (rendering of services)		
Total	7.2,8	

All the subsidiaries and joint venture entities listed in Notes 2 and 7.1, are incorporated in the Kingdom of Saudi Arabia and East Africa.



	Phosphate	Aluminium	Precious and base metals	Corporate	Total
	8,031,129,007	-	-	-	8,031,129,007
	134,710,836	-	-	-	134,710,836
	-	4,007,376,078	-	-	4,007,376,078
	-	453,664,914	-	-	453,664,914
	-	2,938,214,780	-	-	2,938,214,780
	-	-	2,086,204,896	-	2,086,204,896
	249,511	506,583	-	-	756,094
	84,221,981	-	-	-	84,221,981
	8,250,311,335	7,399,762,355	2,086,204,896	-	17,736,278,586

	Phosphate	Aluminium	Precious and base metals	Corporate	Total
	6,379,472,645	-	-	-	6,379,472,645
	146,207,308	-	-	-	146,207,308
	-	4,952,634,955	-	-	4,952,634,955
	-	536,654,160	-	-	536,654,160
	-	177,964,887	-	-	177,964,887
	-	-	1,976,337,478	-	1,976,337,478
	491,201	997,286	-	-	1,488,487
	6,526,171,154	5,668,251,288	1,976,337,478	-	14,170,759,920



8. Sales

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
Phosphate segment			
Ammonia phosphate fertilizer and ammonia			
• Sale of goods		7,813,932,810	6,191,310,622
Movement in provisional product prices during the year		(90,903,314)	5,652,984
		7,723,029,496	6,196,963,606
• Rendering of transportation services		308,099,511	182,509,039
		8,031,129,007	6,379,472,645
Industrial minerals			
• Sale of goods		133,044,244	143,392,988
• Rendering of transportation services		1,666,592	2,814,320
		134,710,836	146,207,308
Sub-total		8,165,839,843	6,525,679,953
Aluminium segment			
Primary aluminium			
• Sale of goods		4,006,585,801	4,948,409,844
Movement in provisional product prices during the year		(14,754,991)	(18,705,563)
		3,991,830,810	4,929,704,281
• Rendering of transportation services		15,545,268	22,930,674
		4,007,376,078	4,952,634,955
Alumina			
• Sale of goods		453,664,914	536,654,160
Flat rolled products			
• Sale of goods		2,919,270,973	177,964,887
• Rendering of transportation services		18,943,807	-
Sub-total		7,399,255,772	5,667,254,002
Precious and base metals segment			
Gold			
• Sale of goods		2,086,204,896	1,976,337,478
Infrastructure			
Rendering of services		756,094	1,488,487
Others		84,221,981	-
Total	7.2, 7.3, 8.1	17,736,278,586	14,170,759,920



8. Sales (continued)

		Year ended 31 December 2019	Year ended 31 December 2018
	Notes		
At a point in time			
- sale of goods		17,391,267,314	13,961,017,400
- rendering of services		756,094	1,488,487
Sub-total		17,392,023,408	13,962,505,887
Over a period of time			
- rendering of transportation services		344,255,178	208,254,033
Total	8	17,736,278,586	14,170,759,920

Gold sales analysis

Quantity of gold ounces (Oz) sold	394,117	417,335
Average realized price per ounce (Oz) in:		
USD	1,411	1,263
Saudi Riyals (equivalent)	5,293	4,736

9. Cost of sales

		Year ended 31 December 2019	Year ended 31 December 2018
	Notes		
Salaries and staff related benefits		1,614,967,835	1,117,358,371
Contracted services		1,263,868,747	759,646,056
Repairs and maintenance		294,577,302	128,800,581
Consumables		179,196,792	191,770,765
Overheads		811,424,253	716,846,464
Raw material and utilities consumed		6,876,692,286	3,644,476,588
Sale of by-products	9.1	(51,126,597)	(73,197,088)
Obsolete and slow moving spare parts and consumable materials written-off	29	-	1,386,960
Allowance for inventory obsolescence, net	29.1	410,696	46,012,092
Severance fees	46	122,384,655	123,792,353
Total cash operating costs		11,112,395,969	6,656,893,142
Depreciation of mine properties	18.1	812,077,882	625,842,414
Depreciation of property, plant and equipment	19.1	3,544,287,396	2,491,025,761
Depreciation of right-of-use assets	20.1	203,242,835	-
Amortisation of intangible assets	22.1	27,424,061	24,906,059
Total operating costs		15,699,428,143	9,798,667,376
Increase in inventory	26,29	(597,563,605)	(723,141,555)
Total cost of goods sold		15,101,864,538	9,075,525,821
Cost of rendering transportation services		330,695,462	208,254,033
Total		15,432,560,000	9,283,779,854



9.1 Sale of by-products by MGBM comprise of the following commodities:

Zinc		29,160,243	36,994,356
Copper		16,252,701	28,749,317
Silver		5,713,653	7,453,415
Total	9	51,126,597	73,197,088

10. Selling, marketing and logistic expenses

		Year ended 31 December 2019	Year ended 31 December 2018
Salaries and staff related benefits		50,045,493	49,198,699
Contracted services		7,832,315	10,377,094
Freight and overheads		260,439,856	143,244,905
Warehouse and storage		91,677,451	29,376,197
Consumables		1,452,507	359,171
Marketing fees and deductibles		197,572,831	90,145,681
Other selling expenses		32,060,250	28,204,336
Total		641,080,703	350,906,083

11. General and administrative expenses

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
Salaries and staff related benefits		289,559,379	268,535,969
Contracted services		146,587,079	96,847,935
Overheads and other		73,708,229	43,162,002
Consumables		2,633,690	1,690,510
Repair parts		2,669,022	5,077,582
Depreciation of mine properties	18.1	-	392,830
Depreciation of property, plant and equipment	19.1	30,728,241	34,339,593
Depreciation of right-of-use assets	20.1	886,157	-
Amortisation of intangible assets	22.1	15,071,885	12,164,081
ECL allowance on time deposits	31.1	-	1,259,666
Total		561,843,682	463,470,168

12. Exploration and technical services expenses

		Year ended 31 December 2019	Year ended 31 December 2018
	Notes		
Salaries and staff related benefits		31,992,670	37,350,461
Contracted services		136,865,985	44,073,956
Overheads and other		4,925,923	6,165,878
Consumables		3,039,134	2,911,346
Repair parts		338,722	375,611
Depreciation of mine properties	18.1	-	146,585
Depreciation of property, plant and equipment	19.1	2,747,288	3,984,491
Amortisation of intangible assets	22.1	-	429,622
Total		179,909,722	95,437,950

13. (Impairment) / reversal of impairment of non-current assets, net

		Year ended 31 December 2019	Year ended 31 December 2018
	Notes		
Impairment of mining capital work-in-progress	18	(33,445,660)	(18,579,156)
Impairment of capital work-in-progress	21	(1,799,378)	(280,875,000)
Reversal of impairment of investment in a joint venture	23.2.3	-	345,934,239
Total	7.2	(35,245,038)	46,480,083

14. Income from time deposits

		Year ended 31 December 2019	Year ended 31 December 2018
	Notes		
Income from time deposits – measured at amortised cost	7.2	205,403,500	123,942,122



15. Finance cost

		Year ended 31 December 2019	Year ended 31 December 2018
	Notes		
Public Investment Fund		645,963,969	460,295,707
Saudi Riyal procurement		144,347,338	99,696,350
Commercial		269,968,755	101,423,551
US Dollar procurement		12,246,707	19,205,809
Wakala		66,638,477	31,466,030
Saudi Industrial Development Fund		86,533,011	20,433,468
Riyal Murabaha facility		683,177,413	565,951,911
Sukuk facility		147,701,093	113,989,474
Revolving credit facility		32,062,500	20,756,250
Others		54,317,289	32,768,962
Sub-total		2,142,956,552	1,465,987,512
Amortization of revolving loan transaction cost	26	14,250,000	14,250,000
Amortization of transaction cost on long-term borrowings	38.11	109,104,930	192,978,189
Accretion of provision for mine decommissioning obligations	39.1,39.2, 39.3,39.4	22,481,429	23,545,681
Accretion of future finance cost under lease liability	40.2	53,004,942	2,599,659
Net settlement of accrued derivative interest	41	23,991,691	1,948,045
Finance cost on employees' end of service termination benefits obligation	42.1	24,522,340	20,817,693
Unwinding of discount of long-term retention payable	43.1	11,052,030	31,276,841
Total	7.2,15.1	2,401,363,914	1,753,403,620

15.1 Summary of finance cost

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
Expensed during the year	15	2,401,363,914	1,753,403,620
Borrowing cost capitalised as part of qualifying assets in capital work-in-progress during the year	21	21,178,231	549,836,633
Amortization of transaction cost capitalized as part of qualifying assets in capital work-in-progress during the year	21,38.11	2,094,184	29,464,834
Total		2,424,636,329	2,332,705,087

16. Other (income) / expenses, net

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
Adjustment to mine closure provision	39.1	(10,179,743)	-
Increase / (decrease) in provision for research and development fund	43.2	-	4,524,918
Increase / (decrease) in provision for community development fund	43.2	-	4,524,918
Gain) / loss on exchange difference)	49.1.1	(6,501,013)	(3,027,391)
Legal settlement claim (receivable) / payable in a legal case to a contractor		(46,875,000)	9,402,909
Purchase order price adjustment		-	1,967,810
Gain from supply of power to Saudi Ports Authority and RCJY		(1,465,663)	(8,479,684)
Others, net		(22,368,831)	(5,587,870)
Total	7.2	(87,390,250)	3,325,610

17. (Loss) / earnings per ordinary share

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
(Loss) / profit attributable to ordinary shareholders of the parent company		(739,463,938)	1,847,917,080
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	33	1,178,348,253	1,168,478,261
Basic and diluted (loss) / earnings per ordinary share from continuing operations		(0.62)	1.58

Basic and diluted (loss) / earnings per ordinary share is calculated by dividing the (loss) / profit attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares in issue during the year (Note 33).



18. Mine properties

	Notes	Exploration and evaluation assets	Mines under construction	Fixed plant and heap leaching*	Mine infrastructure / buildings	
Cost						
1 January 2018		306,876,091	2,331,941,861	4,719,583,669	1,938,154,752	
Additions during the year		26,649,682	13,099,807	6,714,030	-	
Transfers within mine properties		-	(2,345,041,668)	1,287,793,755	98,354,677	
Impairment during the year	13	-	-	-	-	
Transfers (to) / from property, plant and equipment	19	-	-	(2,621,893)	2,307,927	
Transfer (to) / from capital work-in-progress	21	(3,032,320)	-	500,983,074	213,581,168	
Increase in mine closure and rehabilitation provision	39.2, 39.3	-	-	-	-	
31 December 2018		330,493,453	-	6,512,452,635	2,252,398,524	
1 January 2019 - IFRS 16 adjustment:						
Reclassification to right-of-use assets	20	-	-	(77,386,506)	-	
Sub-total		330,493,453	-	6,435,066,129	2,252,398,524	
Additions during the year		79,758,895	-	13,833,009	-	
Transfers within mine properties		(173,264,980)	-	339,162,232	158,725,606	
Impairment during the year	13	(12,604,828)	-	-	-	
Increase in mine closure and rehabilitation provision	39.2, 39.4	-	-	-	-	
Adjustments		-	-	-	-	
December 2019 31		224,382,540	-	6,788,061,370	2,411,124,130	



Operating mines

	Civil works	Heavy equipment*	Others*	Mine closure and rehabilitation provision	Stripping activity asset	Mining capital work-in-progress	Total
	501,075,249	372,620,079	408,959,664	211,400,956	192,444,131	481,008,287	11,464,064,739
	-	-	-	-	60,628,036	168,054,274	275,145,829
	976,121,133	19,288,360	44,156,112	-	-	(80,672,369)	-
	-	-	-	-	-	(18,579,156)	(18,579,156)
	(47,989,564)	5,761,720	19,004,176	-	-	-	(23,537,634)
	367,054,305	3,365,636	6,126,466	-	85,373,648	85,067,479	1,258,519,456
	-	-	-	73,406,497	-	-	73,406,497
	1,796,261,123	401,035,795	478,246,418	284,807,453	338,445,815	634,878,515	13,029,019,731
	-	(37,992,320)	(14,495,210)	-	-	-	(129,874,036)
	1,796,261,123	363,043,475	463,751,208	284,807,453	338,445,815	634,878,515	12,899,145,695
	-	-	-	-	131,774,613	594,165,505	819,532,022
	23,301,585	17,501,402	13,734,911	-	-	(379,160,756)	-
	-	-	-	-	-	(20,840,832)	(33,445,660)
	-	-	-	53,168,500	-	-	53,168,500
	-	-	(1,099,097)	-	-	-	(1,099,097)
	1,819,562,708	380,544,877	476,387,022	337,975,953	470,220,428	829,042,432	13,737,301,460



18. Mine properties (continued)

	Notes	Exploration and evaluation assets	Mines under construction	Fixed plant and heap leaching*	Mine infrastructure / buildings
Accumulated depreciation					
1 January 2018		-	-	1,381,226,272	549,823,244
Charge for the year	18.1	-	-	312,636,742	145,117,114
Transfers (to) / from property, plant and equipment	19	-	-	(4,915,001)	2,513,637
31 December 2018		-	-	1,688,948,013	697,453,995
1 January 2019 – IFRS 16 adjustment:					
Reclassification to right-of-use assets	20	-	-	(68,794,630)	-
Sub-total		-	-	1,620,153,383	697,453,995
Charge for the year	18.1	-	-	397,784,146	155,738,106
Adjustments		-	-	-	-
December 2019 31		-	-	2,017,937,529	853,192,101
Net book value as at					
December 2018 31	7.2	330,493,453	-	4,823,504,622	1,554,944,529
December 2019 31	7.2	224,382,540	-	4,770,123,841	1,557,932,029

*Mine properties as at 31 December 2018 includes plant and equipment acquired as part of finance lease.



Operating mines

	Civil works	Heavy equipment*	Others*	Mine closure and rehabilitation provision	Stripping activity asset	Mining capital work-in-progress	Total
	40,622,194	129,122,687	180,055,018	53,683,471	31,498,406	-	2,366,031,292
	17,957,782	48,725,055	51,016,220	9,275,153	41,653,763	-	626,381,829
	(17,818,262)	6,571,574	5,211,808	-	-	-	(8,436,244)
	40,761,714	184,419,316	236,283,046	62,958,624	73,152,169	-	2,983,976,877
	-	(24,587,984)	(9,601,419)	-	-	-	(102,984,033)
	40,761,714	159,831,332	226,681,627	62,958,624	73,152,169	-	2,880,992,844
	72,609,019	42,849,472	45,184,342	10,474,949	87,437,848	-	812,077,882
	-	-	(1,099,097)	-	-	-	(1,099,097)
	113,370,733	202,680,804	270,766,872	73,433,573	160,590,017	-	3,691,971,629
	1,755,499,409	216,616,479	241,963,372	221,848,829	265,293,646	634,878,515	10,045,042,854
	1,706,191,975	177,864,073	205,620,150	264,542,380	309,630,411	829,042,432	10,045,329,831



18 Mine properties (continued)

Initial recognition at cost

Exploration and evaluation asset

Expenditure is transferred from "Exploration and evaluation assets" to "Mines under construction" which is a sub-category of "Mine properties" once the work completed to date supports the future development of the property and such development receives appropriate approvals.

Mines under construction

After transfer of the exploration and evaluation assets, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalized in "Mines under construction". Development expenditure is net of proceeds from the sale of ore extracted during the development phase to the extent that it is considered integral to the development of the mine.

Any costs incurred in testing the assets to determine if they are functioning as intended, are capitalized, net of any proceeds received from selling any product produced while testing. Where these proceeds exceed the cost of testing, any excess is recognized in the consolidated statement of profit or loss and other comprehensive income. After production starts, all assets included in "Mines under construction" are then transferred to "Producing mines" which is also a sub-category of "Mine properties".

Mine closure and rehabilitation provision

Mine closure and rehabilitation provision includes the following restoration activities:

- dismantling and removing structures,
- rehabilitating mines and tailing dams,
- dismantling operating facilities,
- closing plant and waste sites and
- restoring, reclaiming and revegetating affected areas.

The obligation generally arises when the asset is installed or the ground environment is disturbed at the mining operations location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing carrying amount of the related mining assets to the extent that it was incurred as a result of the development/construction of the mine.

Operating mines

Upon completion of the "Mine under construction" phase, the assets are transferred into "Mine properties" or "Property, plant and equipment". Items of property, plant and equipment and producing mine are stated at cost, less accumulated depreciation and impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and, for qualifying assets

(where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Stripping activity asset

As part of its mining operations, the Group incurs stripping (waste removal) costs both during the development phase and production phase of its operations. Stripping costs incurred in the development phase of mine, before the production phase commences (development stripping), are capitalized as part of the cost of constructing the mine and subsequently amortized over the life-of-mine using a UOP method. The capitalization of developing stripping costs ceases when the mine / component is commissioned and ready for use as intended by management.

Stripping activities undertaken during the production phase of a surface mine (production stripping) is generally considered to create two benefits, the production of inventory or improved access to the ore to be mined in the future. Where the benefits are realized in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where the benefits are realized in the form of improved access to ore to be mined in the future, the costs are recognized as a non-current asset, referred to as a "stripping activity asset".

The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset, and is presented as part of "Mine properties" in the consolidated statement of financial position. This forms part of the total investment in the relevant cash generating unit(s), which is reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

The stripping activity asset is subsequently depreciated using the UOP method over the life of the identified component of the ore body that became more accessible as a result of the stripping activity. Economically recoverable reserves, which comprise proven and probable reserves, are used to determine the expected useful life of the identified component of the ore body. The stripping activity asset is then carried at cost less depreciation and any impairment losses.

Mining capital work-in-progress

It is normal industry practice for producing mines to embark on major capital expenditure projects to enhance or improve the existing flow sheet and are accounted for as "Capital work-in-progress" until its completion for intended use, when it is transferred at cost to the producing mine and put into use, from which point onwards it is being depleted.



Depreciation and impairment

Exploration and evaluation assets

Exploration and evaluation assets are not being depreciated, but are tested annually for impairment in accordance with IFRS 6.

Mines under construction

"Mines under construction" are not depreciated until construction is completed and the assets are available for their intended use. This is signified by the formal commissioning of the mine for commercial production

Mine closure and rehabilitation provision, operating mines and stripping activity asset

The carrying values of mine closure and rehabilitation provision, producing mines and stripping activity assets are depleted on a systematic basis and are tested for impairment on an annual basis and when impairment indicators have been identified.

Mining capital work-in-progress

Mining capital work-in-progress are not depreciated until the construction is completed and the assets are available for their intended use. Mining capital work-in-progress are tested for impairment annually and when impairment indicators have been identified.

18.1 Allocation of depreciation charge for the year to:

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
Expensed through profit or loss			
Cost of sales	9	812,077,882	625,842,414
General and administrative expenses	11	-	392,830
Exploration and technical services expenses	12	-	146,585
Total	18	812,077,882	626,381,829

18.2 Mining properties pledged as security

Mine properties with a net book value at 31 December 2019 of SAR 4,951,673,769 (31 December 2018: SAR 5,243,258,431) are pledged as security to lenders under the Common Term Agreements (Note 38.12).



19. Property, plant and equipment

	Notes	Land	Civil works	Buildings	Heavy equipment
Cost					
1 January 2018		61,550,000	5,286,439,144	12,525,822,658	161,088,179
Addition during the year		-	-	-	-
Transfer from / (to) mine properties	18	-	23,264,377	391,115	(1,736,129)
Transfer from capital work-in-progress during the year	21	-	6,535,014,073	3,859,774,386	930,986,433
Written-off during the year		-	-	-	-
Adjustments		-	-	(5,625,000)	-
31 December 2018		61,550,000	11,844,717,594	16,380,363,159	1,090,338,483
Additions through business combination	5	-	-	149,743,864	-
Addition during the year		-	-	29,856,285	-
Transfer from capital work-in-progress during the year	21	-	172,890,746	49,500,822	-
Written-off during the year		-	-	-	-
Adjustments		-	-	-	-
31 December 2019		61,550,000	12,017,608,340	16,609,464,130	1,090,338,483

19. Property, plant and equipment

	Notes	Land	Civil works	Buildings	Heavy equipment
Accumulated depreciation					
1 January 2018		-	636,945,861	1,079,223,971	60,325,466
Transfer from / (to) mine properties	18	-	11,518,329	(154,714)	(1,736,129)
Charge for the year	19.1	-	189,294,279	373,884,461	13,898,070
Written-off during the year		-	-	-	-
Adjustment		-	-	(1,922,575)	-
31 December 2018		-	837,758,469	1,451,031,143	72,487,407
Charge for the year	19.1	-	375,551,218	468,676,551	78,314,189
Written-off during the year		-	-	-	-
Adjustment		-	-	-	-
31 December 2019		-	1,213,309,687	1,919,707,694	150,801,596
Net book value					
31 December 2018	7.2	61,550,000	11,006,959,125	14,929,332,016	1,017,851,076
31 December 2019	7.2	61,550,000	10,804,298,653	14,689,756,436	939,536,887



Non - mining assets

	Other equipment	Fixed plant	Office equipment	Furniture and fittings	Motor vehicles	Total
	2,487,967,675	33,439,747,762	83,127,920	67,042,866	44,800,694	54,157,586,898
	-	278,774,359	-	-	-	278,774,359
	(12,913,358)	14,559,076	330,075	422,505	(780,027)	23,537,634
	542,526,334	12,418,827,045	3,147,108	19,809,956	140,660	24,310,225,995
	(185,344,468)	-	-	-	-	(185,344,468)
	-	-	-	(850,000)	-	(6,475,000)
	2,832,236,183	46,151,908,242	86,605,103	86,425,327	44,161,327	78,578,305,418
	573,615	17,732,587	2,580,960	915,968	3,453,679	175,000,673
	950,408	141,195,368	633,641	590,494	1,247,224	174,473,420
	234,905,242	770,316,938	12,265,605	2,494,991	-	1,242,374,344
	(229,178,223)	-	-	-	-	(229,178,223)
	-	-	(267,905)	-	-	(267,905)
	2,839,487,225	47,081,153,135	101,817,404	90,426,780	48,862,230	79,940,707,727

Non - mining assets

	Other equipment	Fixed plant	Office equipment	Furniture and fittings	Motor vehicles	Total
	859,548,782	6,926,391,220	49,266,062	58,170,211	36,782,537	9,706,654,110
	(11,647,753)	10,354,415	294,149	422,505	(614,558)	8,436,244
	310,888,354	1,663,716,634	8,564,379	2,275,588	6,457,198	2,568,978,963
	(185,344,468)	-	-	-	-	(185,344,468)
	-	-	-	(850,000)	-	(2,772,575)
	973,444,915	8,600,462,269	58,124,590	60,018,304	42,625,177	12,095,952,274
	335,916,993	2,303,002,912	8,700,899	6,223,242	1,376,921	3,577,762,925
	(229,178,223)	-	-	-	-	(229,178,223)
	-	-	(267,905)	-	-	(267,905)
	1,080,183,685	10,903,465,181	66,557,584	66,241,546	44,002,098	15,444,269,071
	1,858,791,268	37,551,445,973	28,480,513	26,407,023	1,536,150	66,482,353,144
	1,759,303,540	36,177,687,954	35,259,820	24,185,234	4,860,132	64,496,438,656



19. Property, plant and equipment

19.1 Allocation of depreciation charge for year to:

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
Expensed through profit or loss			
Cost of sales	9	3,544,287,396	2,491,025,761
General and administrative expenses	11	30,728,241	34,339,593
Exploration and technical services expenses	12	2,747,288	3,984,491
Sub-total		3,577,762,925	2,529,349,845
Capital work-in-progress	21	-	39,629,118
Total	19	3,577,762,925	2,568,978,963

19.2 Property, plant and equipment pledged as security

Property, plant and equipment with a net book value at 31 December 2019 of SAR 27,277,743,656 (31 December 2018: SAR 27,704,144,742) are pledged as security to lenders under the Common Term Agreement (Note 38.12).

19.3 Impairment of rolling mill and automotive sheet CGUs

Impairment of rolling mill CGU

As at 31 December 2019, management of the company performed an impairment assessment of the rolling mill CGU due to impairment recorded in prior years and the first year of commercial operations. The methodology used by management for the impairment assessment is the discounted cash flow analysis. Key assumptions used in this analysis include:

a pretax discount rate of 10.3% p.a. which was calculated using a Capital Asset Pricing Model (CAPM) methodology; growth rate of 4.83% until the plant reaches its maximum designed capacity; for the calculation of the terminal value, the Gordon Growth Method was adopted which included a growth rate assumption of 4.0% which has been estimated based on third party consultant's forecasts for the industry.

Management concluded that the recoverable amount for the capital work-in-progress, property plant and equipment and intangible assets of the rolling mill CGU is higher than the carrying value of such assets by SAR 227 million. This estimated recoverable amount was based on approved five years business plan. The calculation involved an in-depth review of each key element of rolling mill CGU income and costs (including sales volume and prices, operating costs and capital expenditure) and included a review of historical results and also a review of third party forecasts of the aluminium market.

The recoverable amount of the rolling mill CGU would equal its carrying amount if the key assumptions were to change as follows:

	From	To
Discount rate	10.30%	10.59%
Growth rate	4.00%	3.53%
Growth rate until plant reaches its maximum capacity	4.83%	3.23%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Management of the company has considered and assessed reasonably possible changes for other key assumptions and has not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount.



19. Property, plant and equipment (continued)

Impairment of automotive sheet CGU

As at 31 December 2019, management of the company performed an impairment assessment of the automotive sheet CGU due to impairment recorded in prior years and the first year of commercial operations. The methodology used by management for the impairment assessment is the discounted cash flow analysis. Key assumptions used in this analysis include:

a pretax discount rate of 10.3% p.a. which was calculated using a Capital Asset Pricing Model (CAPM) methodology; for the calculation of the terminal value, the Gordon Growth Method was adopted which included a growth rate assumption of 4.0% which has been estimated based on third party consultant's forecasts for the industry;

Management concluded that the recoverable amount for the capital work-in-progress, property plant and equipment and intangible assets of automotive sheet CGU is higher than the carrying value of such assets by SAR 163 million. This estimated recoverable amount was based on approved five years business plan. The calculation involved an in-depth review of each key element of automotive sheet CGU income and costs (including sales volume and prices, operating costs and capital expenditure) and included a review of historical results and also a review of third-party forecasts of the aluminium automotive market.

The recoverable amount of the automotive sheet CGU would equal its carrying amount if the key assumptions were to change as follows:

	From	To
Discount rate	10.30%	11.30%
Growth rate	4.00%	2.65%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Management of the company has considered and assessed reasonably possible changes for other key assumptions and has not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount.

Impairment of MWSPC CGU

As at 31 December 2019, management of the company performed an impairment assessment of the MWSPC CGU, due to the week commodity market conditions. The impairment assessment resulted in no impairment. The value-in-use of MWSPC's assets, was based on a discounted cash flow analysis which utilized the most recent five-year business plan prepared by management.

Key assumptions used in this analysis included:

- a pre-tax discount rate of 10.4% per annum which was calculated using a Capital Asset Pricing Model (CAPM) methodology,
- for the calculation of the terminal value, the Gordon Growth Method was adopted which included a growth rate of 4.0% which has been estimated based on third party consultant's forecasts for the industry.

Management concluded that the recoverable amount for the capital work-in-progress, property plant and equipment and mine properties of MWSPC is higher than the carrying value of such assets by SAR 2,091 million. This estimated recoverable amount was based on approved five years business plan. The calculation involved an in-depth review of each key element of MWSPC income and costs (including sales volume and prices, operating costs and capital expenditure) and included a review of historical results.

The recoverable value of this CGU would equal its carrying amount if the key assumptions were to change as follows:

	From	To
Discount rate	10.40%	10.89%
Growth rate	4.00%	3.36%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Management of the company has considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of CGU to exceed its recoverable amount.



20. Right-of-use assets

	Notes	Heavy equipment	Fixed plant
Cost			
1 January 2019 – IFRS 16 adjustment:			
Reclassification from mine properties	18	37,992,320	77,386,506
Reclassification from intangible assets	22	-	-
Initial recognition of right-of-use assets	40.1,40.2	86,224,757	941,625,228
Sub-total		124,217,077	1,019,011,734
Additions during the year	40.1,40.2	-	16,505,576
Adjustments		(39,093,388)	10,975,914
31 December 2019		85,123,689	1,046,493,224
Accumulated depreciation			
1 January 2019 – IFRS 16 adjustment:			
Reclassification from mine properties	18	24,587,984	68,614,164
Reclassification from intangible assets	22	-	-
Sub-total		24,587,984	68,614,164
Charge for the year	20.1	39,411,502	61,945,967
Adjustments		(25,882,088)	-
31 December 2019		38,117,398	130,560,131
Net book value			
January 2019 1	7.2	99,629,093	950,397,570
31 December 2019	7.2	47,006,291	915,933,093

20. Right-of-use assets (continued)

Right-of-use assets for infrastructure comprises the infrastructure and support services assets at Ras Al-Khair that were transferred to the Royal Commission of Jubail and Yanbu ("RCJY") as stated in the Implementation Agreement signed between Ma'aden and RCJY. The cost of the assets comprises of its construction cost and any other costs directly attributable to bringing such assets to working condition for their intended use. Such assets were carried at historical cost less accumulated amortisation, however, these assets have been recognized as right-of-use assets upon adoption of IFRS 16 on 1 January 2019 (Note 22) and depreciation is provided over the remaining period of LUSA (Land Usage and Service Agreement) term.



	Motor vehicles	Land	Infrastructure	Vessels	Total
	14,495,210	-	-	-	129,874,036
	-	-	297,876,390	-	297,876,390
	84,892,430	105,317,550	-	74,420,106	1,292,480,071
	99,387,640	105,317,550	297,876,390	74,420,106	1,720,230,497
	30,637,605	10,804,640	1,069,854	48,422,265	107,439,940
	(9,348,909)	(421,282)	-	-	(37,887,665)
	120,676,336	115,700,908	298,946,244	122,842,371	1,789,782,772
	9,781,885	-	-	-	102,984,033
	-	-	94,509,054	-	94,509,054
	9,781,885	-	94,509,054	-	197,493,087
	40,918,871	5,846,201	8,297,448	47,709,003	204,128,992
	(2,697,073)	-	-	-	(28,579,161)
	48,003,683	5,846,201	102,806,502	47,709,003	373,042,918
	89,605,755	105,317,550	203,367,336	74,420,106	1,522,737,410
	72,672,653	109,854,707	196,139,742	75,133,368	1,416,739,854

20.1 Allocation of depreciation charge for the year to:

Expensed through profit or loss

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
Cost of sales	9	203,242,835	-
General and administrative expenses	11	886,157	-
Total	20	204,128,992	-



21. Capital work-in-progress

	Notes	Property, plant and equipment	Automotive sheet
1 January 2018		25,333,029,822	1,061,596,055
Additions during the year		1,503,175,212	88,939,326
Impairment at the end of the year*		-	(375,000,000)
Transfer (to) / from mine properties	18	(1,261,551,776)	-
Transfer to property, plant and equipment	19	(24,310,225,995)	-
Transfer to intangible assets	22	(34,979,055)	-
31 December 2018	7.2	1,229,448,208	775,535,381
Additions through a business combination	5	11,258,503	-
Additions during the year		1,070,820,361	(19,854,354)
Impairment during the year	13	(1,799,378)	-
Transfer to property, plant and equipment	19	(486,693,317)	(755,681,027)
Transfer to intangible assets	22	(16,080,244)	-
31 December 2019	7.2	1,806,954,133	-

*Impairment of automotive sheet project in Ma'aden Corporate

As at 31 December 2018, the Company assessed that there was an indication of impairment in the automotive sheet project and therefore the recoverable amount for the capital work-in-progress of automotive sheet project asset was calculated to determine if the carrying value needs to be impaired. This estimated recoverable amount was based on approved 5 year business plan. The calculation involved an in depth review of each key element of automotive sheet income and costs (including sales volume and prices, operating costs and capital expenditure) and included a review of historical results and also a review of third party forecasts of the automotive aluminium market.

The methodology used was the discounted cash flow analysis. Key assumptions used in this analysis included a pre-tax discount rate of 11.3% p.a. which was calculated using a Capital Asset Pricing Model (CAPM) methodology.

For the calculation of the terminal value, the Gordon Growth Method was adopted which included a growth rate assumption of 3.7% which has been estimated based on third party consultant's forecasts for the industry.

21. Capital work-in-progress (continued)

*Impairment of automotive sheet project in Ma'aden Corporate (continued)

The results of this analysis showed a deterioration in the value in use of automotive sheet project's assets and the requirement for an additional impairment charge of SAR 375,000,000 which is charged as follows:

	Notes	2018
74.9% share of the impairment is attributable to ordinary shareholders of the parent company and is charged to the consolidated statement of profit or loss	13	280,875,000
25.1% share of the impairment is attributable to joint venture partner in automotive sheet project and is adjusted against amount due to joint venture partner	37	94,125,000
Total Impairment of automotive sheet project		375,000,000



Non-mining assets			
	Ammonia project 3	Administrative offices and others	Total
	-	14,844,100	26,409,469,977
	171,515,185	2,654,091	1,766,283,814
	-	-	(375,000,000)
	3,032,320	-	(1,258,519,456)
	-	-	(24,310,225,995)
	-	-	(34,979,055)
	174,547,505	17,498,191	2,197,029,285
	-	-	11,258,503
	766,073,712	(17,498,191)	1,799,541,528
	-	-	(1,799,378)
	-	-	(1,242,374,344)
	-	-	(16,080,244)
	940,621,217	-	2,747,575,350

The Group has capitalized the following as part of capital work-in-progress during the year:

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
Net borrowing cost attributable to qualifying assets (using a capitalization rate ranging from 1.73% to 3.92% per annum)	15.1	21,178,231	549,836,633
Amortization of transaction cost on long-term borrowings	15.1, 38.10	2,094,184	29,464,834
Depreciation of property, plant and equipment	19.1	-	39,629,118
Amortisation of intangible assets	22.1	-	3,030,044
Loss attributable to re-measurements of employees' end of service termination benefits obligation	42.1.1	-	2,076,230
Total		23,272,415	624,036,859

21.1 Capital work-in-progress pledged as security

At 31 December 2019, the net book value of SAR 887,773,606 (31 December 2018: SAR 606,061,169) are pledged as security to the lenders (Note 38.12).



22. Intangible assets and goodwill

	Notes	Goodwill (Note 5)	Infrastructure	
Cost				
1 January 2018		-	297,876,390	
Additions during the year		-	-	
Transfer from capital work-in-progress during the year	21	-	-	
31 December 2018		-	297,876,390	
1 January 2019 – IFRS 16 adjustment:				
Reclassification to right-of-use assets	20	-	(297,876,390)	
Sub-total		-	-	
Additions during the year		-	-	
Additions through a business combination	5	159,465,843	-	
Transfer from capital work-in-progress during the year	21	-	-	
31 December 2019		159,465,843	-	
Accumulated amortisation				
1 January 2018		-	86,300,761	
Charge for the year	22.1	-	8,208,293	
31 December 2018 – as previously reported		-	94,509,054	
1 January 2019 – IFRS 16 adjustment:				
Reclassification to right-of-use assets	20	-	(94,509,054)	
Sub-total		-	-	
Charge for the year	22.1	-	-	
31 December 2019		-	-	
Net book value				
31 December 2018	7.2	-	203,367,336	
31 December 2019	7.2	159,465,843	-	

*Others represent customer relationships and non-core contracts acquired in a business combination

22. Intangible assets and goodwill (continued)

Intangible assets with a net book value at 31 December 2019 of SAR 11,428,944 (31 December 2018: SAR 13,878,004) are pledged as security to lenders under the Common Term Financing Agreement (Note 38.11).

Intangible assets for infrastructure comprises the infrastructure and support services assets at Ras Al-Khair that were transferred to the Royal Commission of Jubail and Yanbu ("RCJY") as stated in the Implementation Agreement signed between Ma'aden and RCJY. The cost of the intangible assets comprises of its construction cost and any other costs



	Software and licenses	Internally developed soft- ware	Technical develop- ment	*Others	Total
	207,485,175	24,369,462	17,705,112	-	547,436,139
	115,173	-	-	-	115,173
	34,979,055	-	-	-	34,979,055
	242,579,403	24,369,462	17,705,112	-	582,530,367
	-	-	-	-	(297,876,390)
	242,579,403	24,369,462	17,705,112	-	284,653,977
	173,621	-	-	-	173,621
	178,224	-	-	85,875,000	245,519,067
	16,080,244	-	-	-	16,080,244
	259,011,492	24,369,462	17,705,112	85,875,000	546,426,909
	90,372,912	17,930,497	7,208,509	-	201,812,679
	27,129,780	2,788,897	2,402,836	-	40,529,806
	117,502,692	20,719,394	9,611,345	-	242,342,485
	-	-	-	-	(94,509,054)
	117,502,692	20,719,394	9,611,345	-	147,833,431
	33,084,000	2,774,736	2,402,835	4,234,375	42,495,946
	150,586,692	23,494,130	12,014,180	4,234,375	190,329,377
	125,076,711	3,650,068	8,093,767	-	340,187,882
	108,424,800	875,332	5,690,932	81,640,625	356,097,532



directly attributable to bringing such assets to working condition for their intended use. Such intangible assets are carried at historical cost less accumulated amortization. Amortization is provided over the remaining period of LUSA (Land Usage and Service Agreement) term. These assets have been recognized as right-of-use assets upon adoption of IFRS 16 on 1 January 2019 (Note 20).

22.1 Allocation of amortisation charge for the year to:

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
Expensed through profit or loss			
Cost of sales	9	27,424,061	24,906,059
General and administrative expenses	11	15,071,885	12,164,081
Exploration and technical services expenses	12	-	429,622
Sub-total		42,495,946	37,499,762
Capital work-in-progress	21	-	3,030,044
Total	22	42,495,946	40,529,806

22.2 Goodwill

Goodwill is attributable to fertilizer distribution network and assembled workforce that cannot be assigned to any other determinable and separate intangible asset.

The Group tests whether goodwill has suffered any impairment on an annual basis. For the impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. For the year ended 31 December 2019, the recoverable amount of fertilizer distribution companies which was considered as single group of cash generating units was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-years period. Cash flows beyond the five-years period are extrapolated using the estimated growth rate stated below. This growth rate is consistent with forecasts included in industry reports specific to the industry in which the group of CGUs operate. Goodwill is allocated to the fertilizer distribution companies as a whole and falls under "Phosphate Strategic Business Unit Segment" in the operating segment. Management's judgment to allocate goodwill to the fertilizer business considered the broader reason for which acquisition was made, i.e. acquiring of fertilizer distribution network in East Africa. The calculation of value in use is most sensitive to the assumptions on sales growth rate, discount rate and average EBITDA margins. Key assumptions underlying the projections are:

Key assumptions	%
Sales growth rate	15.4
Discount rate	28
Average EBITDA margin	7.8

Sensitivity to the changes in assumptions

With regard to the assessment of the value in use, management believes that no reasonably possible change in any of the key assumptions above would cause the carrying value of the group of CGUs including goodwill to materially exceed its recoverable amount. The implications of changes to the key assumptions are discussed below.

Sales growth rate

The sales growth in the forecast period has been estimated to be compound annual growth rate of 15.4%. If all other assumptions kept the same, a reduction of this growth rate from 15.4% to 7.7% would give a value in use equal to the current carrying amount.

22. Intangible assets and goodwill (continued)

Discount rate

The discount was an estimate of the weighted average cost of capital as of 31 December 2019 based on market rates adjusted to reflect management's estimate of the specific risks relating to operations in East Africa. If all other assumptions kept the same, an increase of this rate from 28% to 34.0% would give a value in use equal to the current carrying amount.



Average EBITDA margin

The average EBITDA margins of 7.8% was estimated in the forecast period. If all other assumptions kept the same, a reduction of this average EBITDA margin from 7.8% to 6.1% would give a value in use equal to the current carrying amount.

23. Investment in joint ventures

	Notes	31 December 2019	31 December 2018
MBCC	23.1.3	926,708,693	1,077,591,845
SAMAPCO	23.2.3	190,008,000	345,934,239
Total	7.2	1,116,716,693	1,423,526,084

The Group's 50% interest in the issued and paid-up share capital of these two joint ventures are accounted for using the equity method of accounting, see Note 4.1.

Summarised financial information related to joint ventures

The financial statements of these two joint ventures are prepared in accordance with IFRS. The accounting policies used, in the preparation of these IFRS financial statements, as well as their reporting dates are consistent with that of the Group. Summarized financial information (100% share) of MBCC and SAMAPCO, based on their management accounts or audited annual financial statements and a reconciliation with the carrying amount of the respective investments, as shown in the consolidated financial statements of the Group, are set out below:

23.1 MBCC

23.1.1 Summarised statement of profit or loss and other comprehensive income

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
Sales and other operating revenues		1,166,149,789	1,113,361,783
Finance cost		(3,542,288)	(8,685,588)
Depreciation and amortization		(183,285,385)	(128,516,517)
Other expenses		(480,349,495)	(587,597,122)
Profit before zakat, severance fees and income tax		498,972,621	388,562,556
Zakat and severance fees		(50,941,611)	(44,247,027)
Income tax		(50,216,237)	(44,477,385)
Profit for the year from continuing operations		397,814,773	299,838,144
Other comprehensive (loss) / income		(1,142,630)	(972,178)
Total comprehensive income		396,672,143	298,865,966
Group's share of profit for the year	23.1.3	189,255,551	143,535,306
Group share of other comprehensive loss	23.1.3	(763,703)	-
Group's share of total comprehensive income for the year *	7.2	188,491,848	143,535,306

*Ma'aden's share in net income is reduced by zakat and severance fees which is applicable to the Saudi shareholder only. Furthermore, share in net income is calculated based on the available draft of the MBCC financial statements at the time of issuance of the Ma'aden consolidated financial statements. This sometimes may lead to minor variation which is adjusted in the next period.

MBCC has also transitioned from SOCPA to IFRS effective from 1 January 2018 and the impact of IFRS transition adjustments have also been taken up by the Company during the year ended 31 December 2018.



23 Investment in joint ventures (continued)

23.1.2 Summarised statement of financial position

	Notes	31 December 2019	31 December 2018
Assets			
Non-current assets		1,751,256,843	1,824,067,838
Current assets			
Other current assets		233,663,929	240,479,634
Cash and cash equivalents		162,683,811	481,373,958
Total assets		2,147,604,583	2,545,921,430
Liabilities			
Non-current liabilities			
Other non-current liabilities		67,839,716	67,087,145
Current liabilities			
Current portion of long-term borrowings		-	179,582,855
Other current liabilities		215,601,673	139,161,619
Total liabilities		283,441,389	385,831,619
Net assets		1,864,163,194	2,160,089,811
Group's proportionate ownership %		%50	%50
Group's proportionate ownership share in net assets*	23.1.3	926,708,693	1,077,591,845

*Group's proportionate ownership share in net assets includes zakat and severance fees impact (Note 23.1.1).

23.1.3 Reconciliation to carrying amounts

The investment of 50% in the issued and paid up share capital in MBCC (Note 2.12) is as follows:

	Notes	31 December 2019	31 December 2018
Shares at cost	55	202,482,646	202,482,646
Other component of equity		286,822,939	626,197,939
Total equity contribution		489,305,585	828,680,585
Share of the accumulated profit	23.1.3	437,403,108	248,911,260
Carrying value of investment	23, 23.1.2	926,708,693	1,077,591,845



23. Investment in joint ventures (continued)

23.1.3 Reconciliation to carrying amounts (continued)

Ma'aden's share of the accumulated profit in MBCC:

		Year ended 31 December 2019	Year ended 31 December 2018
	Notes		
1 January		248,911,260	105,375,954
Share in net profit	23.1.1	189,255,551	143,535,306
Current year		198,544,700	150,034,251
Prior year catch up adjustment*	23.1.1	(9,289,149)	(6,498,945)
Share in other comprehensive loss for the year	23.1.1	(763,703)	-
31 December	23.1.3	437,403,108	248,911,260

*Ma'aden's share in net income is reduced by Zakat and severance fee which is applicable to Saudi shareholder only. Furthermore, share in net income is calculated based on available draft of MBCC financial statements at the time of issuance of the Company's separate financial statements. This sometimes may lead to variations which are adjusted in the next accounting period. MBCC has also transitioned from SOCPA to IFRS effective from 1 January 2018 and the impact of IFRS transition adjustments have also been taken up by the Company during the year ended 31 December 2018.

23.2 SAMAPCO

Information disclosed in Note 23.2.1 and 23.2.2 is based on the latest available draft financial statements of SAMAPCO for the year ended 31 December 2019 and the year ended 31 December 2018 information is based on the draft financial statements of SAMAPCO for the eleven months ended 30 November 2018. Any impact that may arise due to December 2018 transactions will be taken up by the Company in the next reporting period.

23.2.1 Summarised statement of profit or loss

		Year ended 31 December 2019	Year ended 31 December 2018
	Notes		
Sales and other operating revenues		615,400,000	715,000,000
Finance cost		(170,500,000)	(70,600,000)
Depreciation and amortization		(126,200,000)	(113,400,000)
Other expenses		(458,600,000)	(419,700,000)
(Loss) / profit before zakat, severance fees and income tax		(139,900,000)	111,300,000
Zakat and severance fees		(2,300,000)	-
(Loss) / profit for the year from continuing operations		(142,200,000)	111,300,000
Other comprehensive (loss) / income		-	-
Total comprehensive (loss) / income		(142,200,000)	111,300,000
Group's share of total comprehensive (loss) / income for the year *	23.2.3	(77,177,820)	55,500,000

*Ma'aden's share in net income is calculated based on the available draft of the SAMAPCO financial statements at the time of issuance of the Ma'aden consolidated financial statements. This sometimes may lead to minor variation which is adjusted in the next period.



23. Investment in joint ventures (continued)

23.2.2 Summarised statement of financial position

	Notes	31 December 2019	31 December 2018
Assets			
Non-current assets		2,453,000,000	2,475,000,000
Current assets			
Other current assets		333,000,000	354,300,000
Cash and cash equivalents		67,000,000	169,700,000
Total assets		2,853,000,000	2,999,000,000
Liabilities			
Non-current liabilities			
Long-term borrowings		2,154,000,000	1,883,000,000
Other non-current liabilities		45,000,000	40,000,000
Current liabilities			
Current portion of long-term borrowings		55,000,000	111,600,000
Other current liabilities		158,000,000	368,400,000
Total liabilities		2,412,000,000	2,403,000,000
Net assets		441,000,000	596,000,000
Group's proportionate ownership %		%50	%50
Group's proportionate ownership share in net assets*	23.2.3	190,008,000	345,934,239

*Group's proportionate ownership share in net assets includes the impact of additional equity contribution (Note 23.2.3).

23.2.3 Reconciliation to carrying amounts

The investment of 50% in the issued and paid up share capital in SAMAPCO (Note 2.11) is as follows:

	Notes	31 December 2019	31 December 2018
Shares at cost	55	450,000,000	450,000,000
Other components of equity		-	78,748,419
Total equity contribution		450,000,000	528,748,419
Total share of the accumulated loss		(259,992,000)	(182,814,180)
Accumulated impairment		-	-
Carrying value of investment	13,23, 23.2.2	190,008,000	345,934,239



23. Investment in joint ventures (continued)

23.2.3 Reconciliation to carrying amounts (continued)

Ma'aden's share of the accumulated loss in SAMAPCO:

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
1 January		(182,814,180)	-
Share in net loss for the year	7.2, 23.2.1	(77,177,820)	-
Current year		(71,100,000)	-
Prior year catch up adjustment*		(6,077,820)	-
Total share of accumulated losses absorbed as at 31 December 2018 due to reversal on impairment		-	(182,814,180)
31 December		(259,992,000)	(182,814,180)

*Ma'aden's share in net income is calculated based on the available draft of the SAMAPCO financial statements at the time of issuance of the separate financial statements. This sometimes may lead to variation which is adjusted in the next period.

Ma'aden's share of the accumulated losses absorbed as at 31 December 2018 due to reversal of impairment:

	Note	Total
Accumulated loss as at the date of transition to IFRS i.e. 1 January 2016		(125,224,180)
Group's share of unabsorbed loss:		
Share in net loss for the year ended 31 December 2016 including adjustments pertaining to SAMAPCO's transition to IFRS i.e. 1 January 2016		(90,902,000)
Share in net loss for the year ended 31 December 2017		(22,188,000)
Share in net profit for the period ended 30 November 2018	23.2.1	55,500,000
Accumulated loss for the period from 1 January 2016 up to 30 November 2018		(57,590,000)
Total share of accumulated loss of SAMAPCO absorbed as at 31 December 2018		(182,814,180)

At the date of transition to IFRS i.e. 1 January 2016, the Company impaired its investment of 50% in the issued and paid up share capital in SAMAPCO (Note 2.11) together with the share of SAMAPCO's accumulated loss based on the impairment test done using an equity valuation model, which included an appropriate market related discount rate. The details of the impairment of investment in SAMAPCO is as follows:



	Note	Total
Shares at cost		
As at 1 January 2016	55	450,000,000
Less: Share of the accumulated loss as at 1 January 2016		(125,224,180)
Sub-total – carrying value of shares previously impaired		324,775,820
Other components of equity		
Additional contribution as at 1 January 2016		47,998,419
Additional contribution during the year ended 31 December 2017		30,750,000
Sub-total – other components of equity previously impaired		78,748,419
Total impairment		403,524,239

As at 31 December 2018, following the SAMAPCO's resolution of a long-standing dispute with a supplier of its Ethylene feedstock, SAMAPCO's costs of production reduced substantially. This reduction in production cost was coupled with the rises in petrochemical prices which returned SAMAPCO to profitability. A revised assessment of the recoverable amount of SAMAPCO was carried out which indicated the reversal of impairment in full, amounting to SAR 403,524,239 and adjusting it with the Group's share of SAMAPCO's accumulated loss for the period starting from 1 January 2016 upto 30 November 2018 amounting to SAR 57,590,000 resulting in a net impairment reversal of SAR 345,934,239. The future cash flows were discounted at a rate of 8% in arriving at the recoverable amount of SAMAPCO.

Fair value of the investment in joint ventures cannot be determined, as no quoted market price is available for the investment in joint ventures.

24. Deferred tax

24.1 Income tax

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
Deferred income tax		(155,101,603)	(82,725,678)
Deferred tax assets credited to the consolidated statement of profit or loss	24.2	34,522,391	136,112,991
Deferred tax liabilities debited to the consolidated statement of profit or loss	24.3	(189,623,994)	(218,838,669)
Current income tax	45.5	(13,026,770)	10,199,311
Total income tax		(168,128,373)	(72,526,367)

The deferred income tax has arisen because of the temporary differences between the carrying value of certain items and their tax base. Following are the details of the deferred tax assets, liabilities and profit or loss charges and credits.

24.2 Deferred tax assets

The balance comprises temporary differences attributable to:

	31 December 2019	31 December 2018
Tax losses	616,599,871	493,213,908
Allowance for obsolete and slow moving spare parts and consumable materials	2,991,733	3,119,886
Property, plant and equipment, capital work-in-progress and intangible assets	-	84,281,464
Provision for decommissioning, site rehabilitation and dismantling obligations	6,329,006	1,105,914
Employees' end of service termination benefits obligation	11,717,182	11,266,650
Provision for research and development	1,105,914	4,849,986
Total deferred tax assets	638,743,706	597,837,808

The movement in net deferred tax assets during year is as follows:

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
1 January		597,837,808	461,724,817
Addition through a business combination	5	6,383,507	-
Credited to the consolidated statement of profit or loss during the year	24.1	34,522,391	136,112,991
31 December		638,743,706	597,837,808

24.3 Deferred tax liabilities

The balance comprises temporary differences attributable to:

	31 December 2019	31 December 2018
Property, plant and equipment, capital work-in-progress and intangible assets	841,232,652	607,317,644

The movement in net deferred tax liabilities during the year is as follows:

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
1 January		607,317,644	388,478,975
Addition through business combination	5	44,291,014	-
Debited to the consolidated statement of profit or loss during the year	24.1	189,623,994	218,838,669
December 31		841,232,652	607,317,644



25. Other investments

	Notes	31 December 2019	31 December 2018
1 January		47,850,000	50,000,000
Settlement during the year		(4,665,000)	(2,150,000)
31 December	3,51	43,185,000	47,850,000
Less: Current portion of other investments		(4,745,000)	(4,665,000)
Non-current portion of other investments		38,440,000	43,185,000

This investment is a non-derivative financial asset with a fixed maturity that the Group has the intention and the ability to hold to maturity and which do not qualify as loans or receivables. This investment is classified as non-current assets based on its maturity, and initially recognised at fair value. At subsequent reporting dates, this financial asset is measured at amortised cost less any impairment losses.

26. Other non-current assets

	Notes	31 December 2019	31 December 2018
Revolving loan transaction cost		71,250,000	71,250,000
Amortization of revolving loan transaction cost over the term of the facility	15	(28,500,000)	(14,250,000)
		42,750,000	57,000,000
Less: Current portion of revolving loan transaction cost	28	(14,250,000)	(14,250,000)
Sub-total		28,500,000	42,750,000
Stockpile of mined ore		433,906,670	265,879,737
Less: Current portion of stockpile of mined ore	29	(348,175,037)	(184,613,086)
Sub-total		85,731,633	81,266,651
Employees' home ownership program receivables		996,685,196	1,052,470,456
Less: Repaid during the year		(65,809,066)	(55,785,260)
		930,876,130	996,685,196
Less: Current portion of employees' home ownership program receivables	30	(60,054,797)	(62,052,523)
Sub-total		870,821,333	934,632,673
Home ownership program – furniture and home loan		13,810,179	20,056,814
Total		998,863,145	1,078,706,138



27. Due from joint venture partner

	Notes	31 December 2019	31 December 2018
Due from Alcoa Corporation	47.2,51	-	36,686,041

This represents contribution receivable from Alcoa Corporation for its share of 25.1% in the automotive sheet project (Note 21 and 37), to extend the product mix of the aluminium complex at Ras Al-Khair, to also include automotive sheet.

28. Advances and prepayments

	Notes	31 December 2019	31 December 2018
Advances to contractors		114,346,340	76,174,480
Advances to employees		22,611,910	26,887,307
Prepaid rent		11,715,303	2,817,365
Prepaid insurance		62,679,259	32,681,405
Current portion of revolving loan transaction cost	26	14,250,000	14,250,000
Other prepayments		26,619,161	38,336,160
Total		252,221,973	191,146,717



29. Inventories

	Notes	31 December 2019	31 December 2018
Saleable inventory			
Finished goods – ready for sale		1,774,742,246	965,522,780
Cost of finished goods		1,868,613,045	965,522,780
Less: Inventory written-off to net realizable value		(93,870,799)	-
Work-in-process		956,360,410	836,930,464
Cost of work-in-process		982,713,551	836,930,464
Less: Inventory written-off to net realizable value		(26,353,141)	-
Current portion of stockpile of mined ore	26	348,175,037	184,613,086
By-products		3,084,977	3,890,775
Sub-total	9	3,082,362,670	1,990,957,105
Consumable inventory			
Spare parts and consumables materials			
1 January		1,654,281,468	1,467,224,181
Net additions during the year		359,916,447	187,057,287
31 December		2,014,197,915	1,654,281,468
Obsolete and slow-moving spare parts and consumable materials written-off	9	-	(1,386,960)
Allowance for obsolete and slow-moving spare parts and consumable materials	29.1	(93,103,074)	(92,692,378)
		1,921,094,841	1,560,202,130
Raw materials		755,163,464	760,770,479
Sub-total		2,676,258,305	2,320,972,609
Total		5,758,620,975	4,311,929,714

29.1 Movement in the allowance for obsolete and slow moving spare parts and consumable materials is as follows:

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
January 1		92,692,378	46,680,286
Reversal) / provision for allowance for obsolescence, net)	9	410,696	46,012,092
31 December	6.2,29	93,103,074	92,692,378



30. Trade and other receivables

		31 December 2019	31 December 2018
	Notes		
Trade receivables			
Other third party receivables		1,891,770,972	1,647,733,293
Due from SABIC	47.2	265,846,332	323,184,232
Due from The Mosaic Company	47.2	39,322,107	29,807,095
Due from Alcoa Inespal, S.A.	47.2	81,997,942	93,099,730
Due from Alcoa Warrick LLC	47.2	136,761,207	6,644,548
Sub-total	49.1.3, 49.2	2,415,698,560	2,100,468,898
Due from MBCC	47.2	77,456	1,107,238
Due from Saudi Mining Polytechnic ("SMP")	47.2	-	5,556
Due from Saudi Ports Authority		2,253,611	2,363,036
Current portion of employees' home ownership program receivables	26	60,054,797	62,052,523
VAT receivable from regulatory authorities		53,533,374	23,588,191
Due from Aramco		326,523,838	210,103,416
Other		137,237,773	36,196,726
Total	51	2,995,379,409	2,435,885,584

The Group holds all its trade receivables, within a business model, with the objective of collecting the contractual cash flows. However, the contractual terms of certain trade receivables do not give rise, on a specific date, to cash flows that are solely payments of principal and interest on the principal outstanding.

31. Time deposits

		31 December 2019	31 December 2018
	Notes		
Time deposits with original maturities of more than three months and less than a year at the date of acquisition	50	3,159,175,000	3,535,000,000
Less: ECL allowance	31.1	(2,201,194)	(2,201,194)
	49.3	3,156,973,806	3,532,798,806
Investment income receivable		29,815,042	24,111,307
Total	51	3,186,788,848	3,556,910,113

Time deposits yield financial income at prevailing market prices.

31.1 Movement in ECL allowance

		Year ended 31 December 2019	Year ended 31 December 2018
	Notes		
1 January	49.2	2,201,194	941,528
Increase in allowance for expected credit losses	11,49.2	-	1,259,666
31 December	31	2,201,194	2,201,194



32. Cash and cash equivalents

	Notes	31 December 2019	31 December 2018
Unrestricted			
Time deposits with original maturities equal to or less than three months at the date of acquisition		1,140,521,258	4,722,142,234
Cash and bank balances		2,367,529,030	597,973,973
Sub-total	49.3,50	3,508,050,288	5,320,116,207
Restricted			
Cash and bank balances	42.2	96,845,788	73,045,857
Total	51	3,604,896,076	5,393,162,064

Restricted cash and bank balances are related to employees' savings plan obligation.

33. Share capital

	Notes	31 December 2019	31 December 2018
Authorized, issued and fully paid			
1,168,478,261 Ordinary shares with a nominal value of SAR 10 per share		11,684,782,610	11,684,782,610
62,112,885 Ordinary shares with a nominal value of SAR 10 per share, following the conversion of long-term borrowing into equity	38.2	621,128,850	-
1,230,591,146 Total	1,17	12,305,911,460	11,684,782,610

On 8 Rabi Awal 1441H (corresponding to 4 November 2019) in the Extraordinary General Assembly Meeting, the shareholders of the Company approved the Board of Directors' recommendation to increase the share capital of the Company by the way of converting its long-term borrowing due to Public Investment Fund ("PIF") into equity amounting to USD 796,370,000 (SAR 2,986,387,500). This has resulted in the issuance of 62,112,885 ordinary shares to PIF at an exercise price of 48.08 per share (SAR 10 nominal value plus premium of SAR 38.08 per share) thereby increasing the share capital by SR 621,128,850 and share premium by SAR 2,365,258,650 after obtaining all the regulatory approvals during the year.

The above share issuance price was determined based on the volume-weighted average market price of the Company's shares during the last six trading months before the date of the Extraordinary General Assembly Meeting, held on 4 November 2019. The reason for the capital increase is to improve the Company's liquidity and credit position and enhance its ability to achieve its growth objectives.

34. Share premium

	Notes	31 December 2019	31 December 2018
Ordinary shares with a nominal value of SAR 10 per share, issued at a premium of SAR 10 per share		5,250,000,000	5,250,000,000
Ordinary shares with a nominal value of SAR 10 per share, issued at a premium of SAR 13 per share, net of transaction cost		3,141,351,697	3,141,351,697
Ordinary shares with a nominal value of SAR 10 per share, issued at a premium of SAR 38.08 per share following the conversion of long-term borrowing into equity	38.2	2,365,258,650	-
Less: Transaction cost		(17,420,308)	-
Net increase in share premium		2,347,838,342	-
Total		10,739,190,039	8,391,351,697
		31 December 2019	31 December 2018
1 January		1,054,251,439	869,459,731
Transfer of %10 of net income for the year		-	184,791,708
31 December		1,054,251,439	1,054,251,439

In accordance with, the Company's Articles of Association, which is in compliance with the applicable Regulations for Companies in Saudi Arabia, the Company has established a statutory reserve by the appropriation of 10% of its annual net profit until such reserve equals 30% of the share capital.



36. Non-controlling interest

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

36.1 Summarized statement of financial position

	Notes	MRC %25.1 (Note 2.6)	MAC %25.1 (Note 2.7)	MBAC %25.1 (Note 2.8)
Non-controlling % interest in				
31 December 2019				
Non-current assets		5,569,322,655	17,363,802,883	12,385,401,745
Current assets		2,473,520,713	2,330,061,876	1,829,467,195
Total assets		8,042,843,368	19,693,864,759	14,214,868,940
Non-current liabilities		3,811,558,436	12,728,945,577	8,229,381,622
Current liabilities		1,717,109,630	1,684,733,605	855,398,243
Total liabilities		5,528,668,066	14,413,679,182	9,084,779,865
Net assets of the subsidiary company		2,514,175,302	5,280,185,577	5,130,089,075
Share of net assets		645,011,927	1,325,326,580	1,287,652,358
Zakat and income tax impact		949,837	(65,923,647)	(34,076,510)
Impact of payment to increase share capital		179,630,770	-	-
Impact of additional capital contribution resulting from transfer of automotive sheet project		5,812,956	-	-
Equity share transferred to Ma'aden		(831,405,490)	-	-
Net impact of non-controlling interest acquired through business combination		-	-	-
Net assets attributable to non-controlling interest	36.3	-	1,259,402,933	1,253,575,848

	MPC %30 (Note 2.9)	MWSPC %40 (Note 2.10)	Meridian %15 (Note 2.5)	Total
	14,200,734,176	26,493,219,387	327,115,820	76,339,596,666
	3,057,401,886	2,238,704,180	1,179,242,794	13,108,398,644
	17,258,136,062	28,731,923,567	1,506,358,614	89,447,995,310
	8,404,902,049	18,614,445,820	148,014,209	51,937,247,713
	1,749,700,550	2,497,633,304	998,954,863	9,503,530,195
	10,154,602,599	21,112,079,124	1,146,969,072	61,440,777,908
	7,103,533,463	7,619,844,443	359,389,542	28,007,217,402
	2,131,060,040	3,047,937,777	53,908,431	8,490,897,113
	-	(9,052,464)	-	(108,102,784)
	-	-	-	179,630,770
	-	-	-	5,812,956
	-	-	-	(831,405,490)
	-	-	557,428	557,428
	2,131,060,040	3,038,885,313	54,465,859	7,737,389,993



36.1 Summarized statement of financial position (continued)

Non-controlling % interest in	Notes	MRC 25.1% (Note 2.6)	MAC 25.1% (Note 2.7)	MBAC 25.1% (Note 2.8)	
31 December 2018					
Non-current assets		5,050,654,745	16,815,948,939	12,330,042,394	
Current assets		1,712,503,496	2,945,216,159	1,661,835,324	
Total assets		6,763,158,241	19,761,165,098	13,991,877,718	
Non-current liabilities		3,791,236,226	11,342,733,208	7,756,912,133	
Current liabilities		2,461,034,186	1,658,784,395	1,056,116,920	
Total liabilities		6,252,270,412	13,001,517,603	8,813,029,053	
Net assets of the subsidiary company		510,887,829	6,759,647,495	5,178,848,665	
Share of net assets		128,232,845	1,696,671,521	1,299,891,015	
Zakat and income tax impact		119,594,401	(66,642,763)	(24,655,913)	
Impact of payment to increase share capital		(7,119,230)	-	-	
Net assets attributable to non-controlling interest	36.3	240,708,016	1,630,028,758	1,275,235,102	

	MPC 30% (Note 2.9)	MWSPC 40% (Note 2.10)	Meridian 15% (Note 2.5)	Total
	14,624,827,221	27,180,114,145	-	76,001,587,444
	2,837,269,219	3,763,581,739	-	12,920,405,937
	17,462,096,440	30,943,695,884	-	88,921,993,381
	8,828,323,950	19,748,855,108	-	51,468,060,625
	1,547,546,461	2,330,056,771	-	9,053,538,733
	10,375,870,411	22,078,911,879	-	60,521,599,358
	7,086,226,029	8,864,784,005	-	28,400,394,023
	2,125,867,810	3,545,913,602	-	8,796,576,793
	-	(26,057,773)	-	2,237,952
	-	-	-	(7,119,230)
	2,125,867,810	3,519,855,829	-	8,791,695,515



36 Non-controlling interest (continued)

36.2 Summarized statement of profit or loss and other comprehensive income

	Notes	MRC 25.1% (Note 2.6)	MAC 25.1% (Note 2.7)	MPC 30% (Note 2.9)
Non-controlling % interest in				
For the year ended 31 December 2019				
Sales		3,285,736,858	6,832,524,307	4,131,422,634
(Loss) / profit before zakat and income tax for the year		(224,333,596)	(390,643,819)	24,287,821
Zakat and income tax for the year		(159,309,954)	(36,631,353)	(5,545,470)
Other comprehensive loss for the year:				
Cash flow hedge – effective portion of changes in fair value	41	-	(171,493,556)	-
Gain / (loss) attributable to the re-measurements of employees' end of service termination benefits obligation		-	556,810	(1,434,917)
Loss on exchange differences on translation		-	-	-
Total comprehensive (loss) / income for the year		(383,643,550)	(598,211,918)	17,307,434
Total comprehensive (loss) / income attributable to non-controlling interest:				
Share of (loss) / profit before zakat and income tax for the year		(42,353,806)	(98,051,599)	7,286,346
Share of zakat and income tax for the year		(158,631,363)	(8,475,353)	(1,663,641)
Share of (loss) / profit for the year	36.3	(200,985,169)	(106,526,952)	5,622,705
Share of other comprehensive loss for the year:				
Cash flow hedge – effective portion of changes in fair value	,36.3 41	-	(43,044,882)	-
Gain / (loss) attributable to the re-measurements of employees' end of service termination benefits obligation	,36.3 42.1	-	139,759	(430,475)
Loss on exchange differences on translation		-	-	-
Total		(200,985,169)	(149,432,075)	5,192,230



	MWSPC 40% (Note 2.10)	Meridian 15% (Note 2.5)	Total
	3,454,284,836	643,549,845	20,692,335,739
	(1,259,527,352)	65,158,512	(1,761,962,815)
	14,546,754	(5,349,370)	(236,691,844)
	-	-	(198,893,932)
	41,036	-	(889,453)
	-	(28,877,730)	(28,877,730)
	(1,244,939,562)	30,931,412	(2,227,315,774)
	(503,810,941)	9,773,777	(621,359,223)
	22,824,011	(802,405)	(167,314,363)
	(480,986,930)	8,971,372	(788,673,586)
	-	-	(49,922,376)
	16,414	-	(287,450)
	-	(4,331,659)	(4,331,659)
	(480,970,516)	4,639,713	(843,215,071)



36 Non-controlling interest (continued)

36.2 Summarized statement of profit or loss and other comprehensive income (continued)

	Notes	MRC 25.1% (Note 2.6)	MAC 25.1% (Note 2.7)	MBAC 25.1% (Note 2.8)	
Non-controlling % interest in					
For the year ended 31 December 2018					
Sales		299,487,696	7,671,002,281	3,116,668,621	
Profit / (loss) before zakat and income tax for the year		(305,062,110)	98,436,855	522,494,744	
Zakat and income tax for the year		24,567,607	(47,082,780)	(60,070,721)	
Other comprehensive loss for the year:					
Cash flow hedge – effective portion of changes in fair value	41	-	(26,940,863)	-	
Loss attributable to the re-measurements of employees' end of service termination benefits obligation		(188,748)	(2,139,918)	(2,064,994)	
Sub-total		(188,748)	(29,080,781)	(2,064,994)	
Total comprehensive (loss) / income for the year		(280,683,251)	22,273,294	460,359,029	
Total comprehensive (loss) / income attributable to non-controlling interest:					
Share of (loss) / profit before zakat and income tax for the year		(76,570,589)	24,707,651	131,146,181	
Share of zakat and income tax for the year		27,673,227	(29,529,196)	(44,026,840)	
Share of (loss) / profit for the year	36.3	(48,897,362)	(4,821,545)	87,119,341	
Share of other comprehensive loss for the year:					
Cash flow hedge – effective portion of changes in fair value	,36.3 41	-	(6,762,157)	-	
Loss attributable to the re-measurements of employees' end of service termination benefits obligation	,36.3 42.1.1	(47,376)	(537,119)	(518,313)	
Sub-total		(47,376)	(7,299,276)	(518,313)	
Total		(48,944,738)	(12,120,821)	86,601,028	



	MPC 30% (Note 2.9)	MWSPC 40% (Note 2.10)	Meridian 15% (Note 2.5)	Total
	5,215,647,728	1,163,824,917	-	17,466,631,243
	725,465,557	454,725,119	-	1,496,060,165
	(20,383,520)	(38,909,515)	-	(141,878,929)
	-	-	-	(26,940,863)
	(3,215,778)	(2,121,693)	-	(9,731,131)
	(3,215,778)	(2,121,693)	-	(36,671,994)
	701,866,259	413,693,911	-	1,317,509,242
	217,639,667	181,890,048	-	478,812,958
	(6,115,056)	(29,096,749)	-	(81,094,614)
	211,524,611	152,793,299	-	397,718,344
	-	-	-	(6,762,157)
	(964,733)	(848,677)	-	(2,916,218)
	(964,733)	(848,677)	-	(9,678,375)
	210,559,878	151,944,622	-	388,039,969



36. Non-controlling interest (continued)

36.3 Movement of non-controlling interest

	Notes	MRC 25.1% (Note 2.6)	MAC 25.1% (Note 2.7)	MBAC 25.1% (Note 2.8)
Non-controlling % interest in				
1 January 2018		289,652,754	1,642,149,579	1,188,634,074
Share of net (loss) / profit for the year	36.2	(48,897,362)	(4,821,545)	87,119,341
Dividend paid during the year	30	-	-	-
Share of other comprehensive loss for the year:				
Cash flow hedge – effective portion of changes in fair value	36.2, 41	-	(6,762,157)	-
Loss attributable to the re-measurements of employees' end of service termination benefits obligation	36.2, 42.1.1	(47,376)	(537,119)	(518,313)
Sub-total		(47,376)	(7,299,276)	(518,313)
31 December 2018	36.1	240,708,016	1,630,028,758	1,275,235,102
Increase in non-controlling interest resulting through business combination	5	-	-	-
Share of net (loss) / profit for the year	36.2	(200,985,169)	(106,526,952)	(14,768,612)
Share of other comprehensive loss for the year:				
Cash flow hedge – effective portion of changes in fair value	36.2, 41	-	(43,044,882)	(6,877,494)
Gain / (loss) attributable to the re-measurements of employees' end of service termination benefits obligation	36.2, 42.1.1	-	139,759	(13,148)
Loss on exchange differences on translation		-	-	-
Share of other non-distributable reserves		-	-	-
Additional capital contribution resulting from transfer of automotive sheet project during the year	37	195,488,894	-	-
Payment to increase share capital during the year		375,000,000	-	-
Trade payable / receivable written-off during the year		221,193,750	(221,193,750)	-
Equity share transferred to Ma'aden during the year *		(831,405,491)	-	-
31 December 2019	36.1	-	1,259,402,933	1,253,575,848

*On 26 June 2019, Ma'aden and Alcoa Saudi Rolling Inversiones S.L. ("ASRI") signed an agreement for the transfer of shares whereby ASRI transferred shares of the company representing 25.1% of the share capital in MRC to Ma'aden. Immediately prior to the agreement, the carrying amount of the existing 25.1% non-controlling interest in MRC was SAR 831,405,491. The Group recognised a decrease in non-controlling interests of SAR 831,405,491 and an increase in equity attributable to shareholders of the parent company with the same amount.

37. Due to joint venture partner



	MPC	MWSPC	Meridian	Total
	30%	40%	15%	
	(Note 2.9)	(Note 2.10)	(Note 2.5)	
	1,944,114,969	3,367,911,207	-	8,432,462,583
	211,524,611	152,793,299	-	397,718,344
	(28,807,037)	-	-	(28,807,037)
	-	-	-	(6,762,157)
	(964,733)	(848,677)	-	(2,916,218)
	(964,733)	(848,677)	-	(9,678,375)
	2,125,867,810	3,519,855,829	-	8,791,695,515
	-	-	51,271,315	51,271,315
	5,622,705	(480,986,930)	8,971,372	(788,673,586)
	-	-	-	(49,922,376)
	(430,475)	16,414	-	(287,450)
	-	-	(4,331,659)	(4,331,659)
	-	-	(1,445,169)	(1,445,169)
	-	-	-	195,488,894
	-	-	-	375,000,000
	-	-	-	-
	-	-	-	(831,405,491)
	2,131,060,040	3,038,885,313	54,465,859	7,737,389,993



37. Due to joint venture partner

	Notes	31 December 2019	31 December 2018
Due to Alcoa Corporation		405,387,644	405,166,440
Accumulated impairment		(209,898,750)	(209,898,750)
Opening balance		(209,898,750)	(115,773,750)
Impairment during the year	21	-	(94,125,000)
Transferred to MRC during the year*	36.3	(195,488,894)	-
Due to joint venture partner, net	47.2	-	195,267,690

Due to Alcoa Corporation, this represents their share of 25.1% in the joint venture project cost to extend the product mix of the aluminium complex at Ras Al-Khair, to also include automotive sheet.

*On 26 June 2019, an "Asset Transfer Agreement" was signed between Ma'aden, MRC and ASRI resolving to transfer the ownership of automotive sheet project to MRC at carrying amount of assets amounting to SAR 755,681,027 and in consideration, the payment to increase share capital in MRC of Ma'aden and ASRI was increased by SAR 560,192,133 and SAR 195,488,894, respectively.

38. Long-term borrowings

	Notes	31 December 2019	31 December 2018
Total borrowings	7.2,38.8	49,593,492,603	54,566,488,328
Accrued finance cost		251,591,654	272,817,941
Sub-total	49.3,51	49,845,084,257	54,839,306,269
Less: Current portion of borrowings shown under current liabilities	38.8	(2,436,219,781)	(3,162,757,425)
Less: Accrued finance cost		(251,591,654)	(272,817,941)
Sub-total - current portion of borrowings shown under current liabilities		(2,687,811,435)	(3,435,575,366)
Non-current portion of long-term borrowings	38.8	47,157,272,822	51,403,730,903



38.1 Facilities approved

MAC, MRC, MBAC and MWSPC entered into Common Terms Agreements (“CTA”) with the Public Investment Fund (PIF), Saudi Industrial Development Fund (SIDF) and consortiums of local financial institutions, whereas, MAC and MBAC restructured its borrowing facility with PIF and entered into a new Common Terms Agreements (“CTA”) with the consortiums of local financial institutions,

- the Company (Ma'aden) entered into a Shariah compliant Syndicated Revolving Credit Facility Agreement,
- MGBM entered into two secured loan arrangements with Saudi Industrial Development Fund (SIDF),
- MIC and MPC entered into Murabaha Facility Agreement (“MFA”) with Murabaha facility participants and
- MPC entered into a Sukuk Facility Agreement (“SFA”) with Sukuk facility participants.

The facilities granted to the Group comprise of the following as at 31 December 2019:

	MAC agreement signed on 30 Nov. 2010 and restructured on 14 Dec. 2017	MRC agreement signed on 30 Nov. 2010 and restructured on 19 Dec. 2019	MBAC agreement signed on 27 Nov. 2011 and restructured on 16 Jul. 2018	MWSPC agreement signed on 30 Jun. 2014
Public Investment Fund (“PIF”)	4,275,375,000	-	3,506,250,000	7,500,000,000
Islamic and commercial banks				
Procurement*	-	-	-	4,299,854,655
Commercial*	1,503,750,000	-	-	5,450,145,345
Murabaha	-	1,312,500,000	4,025,000,000	-
Wakala	-	-	220,000,000	1,650,000,000
Sub-total	1,503,750,000	1,312,500,000	4,245,000,000	11,400,000,000
Saudi Industrial Development Fund (“SIDF”)	-	600,000,000	-	4,000,000,000
Riyal Murabaha facility	5,178,750,000	-	-	-
Riyal Murabaha facility (a working capital facility)	-	-	750,000,000	-
Sub-total	10,957,875,000	1,912,500,000	8,501,250,000	22,900,000,000
Syndicated Revolving Credit Facility Agreement	-	-	-	-
HSBC Saudi Arabia – as agent for sukuk facility participants	-	-	-	-
Total facilities granted	10,957,875,000	1,912,500,000	8,501,250,000	22,900,000,000



	Ma'aden agreement signed on 18 Dec. 2012 and renewed on 18 Dec. 2017	MGBM agreements signed on 24 Mar. 2015 and 26 Apr. 2015	MIC agreement signed on 30 Dec. 2015	MPC agreements signed on 25 Feb. 2016 and 20 Feb. 2018	Total
	-	-	-	-	15,281,625,000
	-	-	-	-	4,299,854,655
	-	-	-	-	6,953,895,345
	-	-	-	-	5,337,500,000
	-	-	-	-	1,870,000,000
	-	-	-	-	18,461,250,000
	-	1,379,000,000	-	-	5,979,000,000
	-	-	1,000,000,000	11,493,750,000	17,672,500,000
	-	-	-	-	750,000,000
	-	1,379,000,000	1,000,000,000	11,493,750,000	58,144,375,000
	7,500,000,000	-	-	-	7,500,000,000
	-	-	-	3,500,000,000	3,500,000,000
	7,500,000,000	1,379,000,000	1,000,000,000	14,993,750,000	69,144,375,000



38.1 Facilities approved (continued)

The CTAs impose the following conditions and financial covenants on each of the borrowing legal entities of the Group and if the conditions are met, the financial institutions will provide the long-term borrowing:

- the limitation on the creation of additional liens and/or financing obligations by MRC, MBAC and MWSPC, unless specifically allowed under the CTA,
- financial ratio maintenance,
- maximum capital expenditures allowed,
- restriction on dividend distribution to shareholders and
- restriction on the term of the short-term investment with maturities of not more than six (6) months from the date of acquisition, of any Saudi Arabian commercial bank or any other international commercial bank of recognized standing.

The MFAs imposed certain conditions and special covenants which include:

- safeguarding the entities' existence as a limited liability company validly existing under the laws of the Kingdom of Saudi Arabia,
- restriction to substantial change in the general nature of company's business, unless specifically allowed under the MFA,
- restriction to enter into a single transaction or a series of transactions and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset, unless specifically allowed under the MFA,
- payment obligations under MFA at all times rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies,
- financial ratio maintenance and
- restriction on dividend distribution to shareholders.

The SFA imposed certain conditions and special covenants which include:

- safeguarding the corporate existence as a limited liability company validly existing under the laws of the Kingdom of Saudi Arabia,
- restriction to substantial change in the general nature of company's business, unless specifically allowed under the SFA,
- restriction to enter into a single transaction or a series of transactions and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset, unless specifically allowed under the SFA,
- financial ratio maintenance and
- restriction on dividend distribution to shareholders

MAC facility

*Facility agents:

- The National Commercial Bank acts as Inter-creditor Agent and as Riyal Murabaha Facility Agent,
- The First Abu Dhabi Bank acts as Dollar Conventional Facility Agent.

MRC facility

*Facility agents:

- Riyadh Bank acts as Inter-creditor Agent,
- Bank Al Jazira acts as Riyal Procurement Facility Agent,
- Banque Saudi Fransi acts as Onshore Security Agent and
- Riyadh Bank, London Branch acts as Offshore Security Trustee and Agent

In pursuant to "Transfer and Termination Agreement" signed on 26 June 2019, Ma'aden replaced PIF as provider of loan to MRC. At the same time on 26 June 2019, another "Loan Agreement" was signed between Ma'aden and PIF where it was resolved that SAR 2,986,387,500 is deemed to have been advanced to Ma'aden by PIF and is payable on demand which was subsequently converted to equity after obtaining all the regulatory approvals during the year (Note 33). This also resulted in the recognition of a charge amounting to SAR 46,594,914 in the consolidated retained earnings attributable to the ordinary shareholders of the parent company (Note 38.2).

On 19 December 2019, the Company entered into a CTA agreement with commercial banks in respect of new Riyal Murabaha facility amounting SAR 1,312,500,000 to replace the balance of the existing Riyal procurement of SAR 1,009,770,000 and Riyal Murabaha facility of SAR 375,000,000.

MBAC facility

On 16 July 2018, the company had entered into a CTA with PIF, SIDF and a consortium of financial institutions. On 31 July 2018 the facility with PIF was restructured resulting in a revised repayment schedule and covenants. Effective the same date, the Company entered into a new CTA agreement with commercial banks in respect of new Riyal Murabaha and Riyal Wakala facilities to replace the balance of the facilities. Consequently, MBAC's financing facilities comprise of:



38.1 Facilities approved (continued)

	Facility approved
PIF – Amendment to the existing agreement	3,506,250,000
Islamic and commercial banks	
Riyal Murabaha Tranche A	2,370,000,000
Riyal Murabaha Tranche B	1,655,000,000
Riyal Wakala	220,000,000
Sub-total	4,245,000,000
Riyal Murabaha facility (a working capital facility)	750,000,000
Total facilities approved	8,501,250,000

In addition to scheduled repayments, the restructured PIF facility and the Riyal Murabaha and Riyal Wakala facilities include provisions to make prepayments to the participants depending on the availability of excess cash for debt servicing. The prepayments continue until certain conditions have been met in respect of the outstanding balance under each of the facilities and are also limited in respect of time for the Riyal Murabaha and Riyal Wakala facilities.

Facility agents:

- The National Commercial Bank acts as Inter-creditor Agent and as Riyal Murabaha Facility Agent,
- The HSBC Saudi Arabia acts as Riyal Wakala Facility Agent.

The details of the CTA signed on 27 November 2011 which has been restructured / repaid in full during July 2018 were as follows:

PIF	3,750,000,000
Islamic and commercial banks	
Procurement	2,690,712,844
Commercial	258,750,000
Wakala	768,750,000
Sub-total	3,718,212,844
SIDF	900,000,000
Riyal Murabaha facility (a working capital facility)	340,000,000
Total facilities approved	8,708,212,844

MWSPC facility

*Facility agents:

- Islamic Development Bank and HSBC Saudi Arabia act as agents for procurement facility and
- Mizuho Corporate Bank Limited and Sumitomo Mitsui Banking Corporation act as agents for commercial facility.



Saudi Arabian Mining Company ("Ma'aden") facility

Syndicated revolving credit facility

On 18 December 2017, the Company renewed its financing agreements revising the total facility amount from SAR 9 billion to SAR 7.5 billion. Final maturity for repayment of the loan is five years from the date of signing of the agreement. This revolver facility is with a syndicate of local and international financial institutions, comprising the following financial institutions:

- Al-rajhi bank
- Arab national bank
- Gulf International Bank B.S.C, Riyadh Branch
- Al-Awwal bank
- Bank AlJazira
- Banque Saudi Fransi
- J.P.Morgan Chase Bank, N.A., Riyadh Branch
- Riyadh bank
- Samba Financial Group
- The National Commercial Bank
- The Saudi British Bank
- The Saudi Investment Bank

The financial covenants and conditions include the following with respect to standalone parent company only:

- EBITDA to Interest ratio shall not be less than three times otherwise dividend block will be triggered; and
- the total net debt to tangible net worth (parent company only) shall be less than or equal to three times otherwise an event of default will be triggered which is subject to a cure period of six months, or nine months if the Company has acted expeditiously to cure such breach by initiating the process for a rights issue.

PIF facility

In pursuant to "Transfer and Termination Agreement" signed on 26 June 2019, Ma'aden replaced PIF as provider of loan to MRC. At the same time on 26 June 2019, another "Loan Agreement" was signed between Ma'aden and PIF where it was resolved that SAR 2,986,387,500 is deemed to have been advanced to Ma'aden by PIF and is payable on demand.

In addition to the above, on 26 June 2019 a "Debt Conversion Agreement" has been signed between Ma'aden and PIF whereby Ma'aden wishes to increase its capital through the issuance of new shares for the purpose of settling the above mentioned loan. Subsequently this loan was converted into equity after obtaining all the regulatory approvals during the year (Note 33).

MGBM facility

The company entered into two secured loan arrangements with Saudi Industrial Development Fund ("SIDF). The facilities granted to the Company comprise of the following:

Date approved	Purpose	Facility approved
24 March 2015	To provide funding for the production of a semi alloy of gold at As Suq Mine	179,000,000
26 April 2015	To provide funding for the capital expenditure of the new gold mine at Ad-Duwayhi and water pipeline	1,200,000,000
Total facilities granted		1,379,000,000

The financing arrangements impose certain conditions and special covenants which include:

- the limitation of the creation of additional liens and/or financing obligations by the Company, unless specifically allowed under the loan agreement,
- financial ratio maintenance,
- maximum capital expenditures allowed,
- restriction on dividend distribution to shareholders and
- restriction on the term of the short-term investment with maturities of not more than six (6) months from the date of acquisition, of any Saudi Arabian commercial bank or any other international commercial bank of recognized standing.



MIC facility

On 30 December 2015 the company entered into a Murabaha Facility Agreement ("MFA") with HSBC Saudi Arabia Limited, comprising of:

Murabaha facility	Facility approved
HSBC Saudi Arabia Limited – as agent for the Murabaha facility participants	1,000,000,000

The facility was drawn down on 17 February 2016.

MPC facility

On 15 June 2008, the company had entered into a CTA with a consortium of financial institutions, however, the facility had been repaid in full from a drawing on 30 March 2016 under a new MFA signed by the company on 25 February 2016 with Murabaha facility participants comprising of:

Murabaha facility	Facility approved
Riyad Bank – as agent for the Murabaha facility participants	11,493,750,000

The MFA signed by the company on 25 February 2016, have been partially repaid from a drawing under a new SFA signed by the company on 20 February 2018 with sukuk facility participants comprising of:

Sukuk facility	Facility approved
HSBC Saudi Arabia – as agent for the sukuk facility	3,500,000,000

38.2 Facilities utilized under the different CTAs

MAC facility – restructured on 14 December 2017

	31 December 2019	31 December 2018
Public Investment Fund (Note 47.2)	4,275,375,000	4,275,375,000
Less: Transaction cost balance at the year end	(38,830,699)	(42,931,900)
Sub-total	4,236,544,301	4,232,443,100

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period is LIBOR plus %1.5.

After the restructuring on 14 December 2017, the repayment of the loan will start on 31 March 2023, on a six monthly basis, starting at SAR 99.9 million and increasing over the term of the loan with the final repayment of SAR 1,218 million on 30 September 2031 (Note 38.9).

In addition, the company is required to make certain prepayments as described in Note 38.1.

The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 31) 4,101,201 December 2018: SAR 4,097,225) (Note 38.11).



Islamic and commercial banks

Riyal Murabaha	5,178,750,000	5,178,750,000
Commercial – USD conventional	1,503,750,000	1,503,750,000
Less: Transaction cost balance at the year end	(53,618,436)	(63,570,555)
Sub-total	6,628,881,564	6,618,929,445

The rate of commission on the principal amount of the loan drawn on Islamic Murabaha Riyal is Saudi Interbank Offered Rate ("SIBOR") plus a margin of %1.65 whereas, the rate of commission on the principal amount of the loan drawn on Dollar Conventional facility is LIBOR plus a margin of %1.55.

The repayment of the loan drawn on Islamic Murabaha Riyal will start from 31 March 2021, on a six monthly basis starting at SAR 259 million and increasing over the term of the loan with the final repayment of SAR 1,812 million on 30 September 2027 (Note 38.9).

The repayment of the loan drawn on Dollar Conventional facility will start from 31 March 2021, on a six monthly basis starting at SAR 129 million and increasing over the term of the loan with the final repayment of SAR 601 million on 30 September 2024 (Note 38.9).

In addition, the company is required to make certain prepayments as described in Note 38.1.

The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 31) 9,952,119 December 2018: SAR 9,936,945) (Note 38.11).

Total MAC borrowings (Note 38.8)	10,865,425,865	10,851,372,545



38.2 Facilities utilized under the different CTA's (continued)

MRC facility

	31 December 2019	31 December 2018
Public Investment Fund (Note 47.2)	2,986,387,500	2,986,387,500
Less: Transferred to Ma'aden during the year	(2,986,387,500)	-
Sub-total	-	2,986,387,500
Less: Transaction cost balance at the year end	-	(52,119,480)
Sub-total	-	2,934,268,020

The rate of commission on the principal amount of the loan drawn for each commission period is London Interbank Offered Rate ("LIBOR") plus 1.5%.

The repayment of the loan started on 31 December 2016, on a six monthly basis, starting at SAR 30.8 million and increasing over the term of the loan with the final repayment of SAR 153.9 million on 30 June 2026 (Note 38.9).

During June 2018, the repayments due on 30 June 2018 and 31 December 2018 were deferred to be paid on 30 June 2019.

The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 5,436,618 (31 December 2018: SAR 11,183,829) (Note 38.11). The remaining balance of SAR 46,682,862 as at 30 June 2019 has been charged to the consolidated retained earnings attributable to the ordinary shareholders of the parent company during the period (Note 36.3).

Islamic and commercial banks

Riyal procurement	1,009,770,000	1,009,770,000
Less: Repaid during the year	(1,009,770,000)	-
Sub-total	-	1,009,770,000
Less: Transaction cost balance at the year end	-	(13,057,394)
Sub-total	-	996,712,606

The rate of commission on the principal amount of the loan drawn for each commission period on all the Saudi Riyal facilities is Saudi Interbank Offered Rate ("SIBOR") plus a margin that varies over the term of the loan.

The margin / mark-up on the principal amount of the loan drawn for each commission period is in the range of 1.65% to 2.45% per annum.

The repayment of the loan started on 31 December 2016, starting at SAR 10.4 million and increasing over the term of the loan with the final repayment of SAR 13.5 million on 30 June 2026 (Note 38.9).

During June 2018, the repayments due on 30 June 2018 and 31 December 2018 were deferred to be paid on 30 June 2019.

The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 13,057,394 (31 December 2018: SAR 3,075,608) (Note 38.11)

Sub-total carried forward	-	3,930,980,626



38.2 Facilities utilized under the different CTA's (continued)

MRC facility (continued)

	31 December 2019	31 December 2018
Balance brought forward	-	3,930,980,626
Saudi Industrial Development Fund	425,000,000	475,000,000
Less: Repaid during the year	(150,000,000)	(50,000,000)
Sub-total	275,000,000	425,000,000
Less: Transaction cost balance at the year end	(8,122,382)	(13,126,746)
Sub-total	266,877,618	411,873,254
Repayment of the SIDF facility started from 25 January 2016, starting at SAR 25 million and increasing over the term of the loan with the final repayment of SAR 62.5 million on 19 July 2021 (Note 38.9).		
During June 2018, the repayments due on 30 June 2018 and 31 December 2018 were deferred to be paid on 30 June 2019.		
The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 5,004,364 (31 December 2018: SAR 6,914,466) (Note 38.11).		
Riyal Murabaha facility (a working capital facility)	375,000,000	375,000,000
Less: Repaid during the year	(375,000,000)	-
Sub-total	-	375,000,000
During the quarter ended 30 September 2018, the rate of profit on the purchase price i.e. principal amount of the loan drawn for each commission period is revised to SIBOR plus 1.20%.		
During the quarter ended 30 June 2019, the rate of profit on the purchase price i.e. principal amount of the loan drawn for each commission period is revised to SIBOR plus 1.20% and the revised repayment of the Murabaha facility is due on 31 December 2019 (Note 38.9).		
Islamic and commercial banks - restructured on 19 December 2019		
Riyal procurement	1,312,500,000	-
Less: Transaction cost balance at the year end	(11,156,250)	-
Sub-total	1,301,343,750	-
The rate of commission on the principal amount of the loan drawn for each commission period on all the Saudi Riyal facilities is Saudi Interbank Offered Rate ("SIBOR") plus a margin of 0.95%.		
The repayment of the loan will start from June 2021, starting at SAR 39 million and increasing over the term of the loan with the final repayment of SAR 263 million on June 2032 (Note 38.9).		
The transaction incurred on obtaining the loan amounted to SAR 11,156,250 has been netted-off with the loan balance and is amortized over the term of the loan.		
Total MRC borrowings (Note 38.8)	1,568,221,368	4,717,853,880



38.2 Facilities utilized under the different CTA's (continued)

MBAC facility

During July 2018, the company restructured its borrowing facilities by amending the PIF agreement and entering into the new CTA, whereas, the other facilities were prematurely settled in full.

	31 December 2019	31 December 2018
Public Investment Fund	-	3,600,000,000
Less: Repaid during the year	-	(93,750,000)
Sub-total (Note 47.2)	-	3,506,250,000
Less: Transaction cost balance at the year end	-	-
Transferred to facility restructured on 16 July 2018	-	(3,506,250,000)
Sub-total	-	-
The rate of commission on the principal amount of the loan drawn for each commission period is London Interbank Offered Rate ("LIBOR") plus 1.5%. The repayment of the principal amount of PIF facility will be in 21 installments on a six monthly basis starting from 30 June 2017. The repayments are starting at SAR 75 million and increasing over the term of the loan with the final repayment of SAR 435 million on 30 June 2027 (Note 38.9). The upfront transaction cost incurred, is amortized over the term of the loan amounted to Nil (31 December 2018: SAR 5,979,758) (Note 38.11). The remaining unamortized transaction cost amounting to SAR 69,746,252 was transferred to the restructured facility.		
Islamic and commercial banks		
Dollar procurement	-	767,520,000
Riyal procurement	-	1,815,564,326
Commercial	-	248,400,000
Wakala	-	738,000,000
	-	3,569,484,326
Less: Repaid during the year	-	(3,569,484,326)
Sub-total	-	-
Less: Transaction cost balance at the year end	-	-
Sub-total	-	-
The rate of commission on the principal amount (lease base amount in case of wakala facilities) of the loan drawn for each commission period on all the dollar facilities is LIBOR plus a margin (mark-up in case of wakala facilities) that varies over the term of the loan. The rate of commission on the principal amount (lease base amount in case of wakala facilities) of the loan drawn for each commission period on all the Saudi Riyal facilities is Saudi Interbank Offered Rate ("SIBOR") plus a margin (mark-up in case of wakala facilities) that varies over the term of the loan. The margin/mark-up on the principal amount of the loan drawn for each commission period is in the range of 1.45% to 2.4% per annum. The repayment of the principal amounts of Islamic and commercial total approved facilities started from 30 June 2017. The repayments are starting at SAR 74 million and increasing over the term of the loan with the final repayment of SAR 431 million on 30 June 2027 (Note 38.9). The upfront transaction cost incurred, is amortized over the term of the loan amounted to Nil (31 December 2018: SAR 45,389,289) (Note 38.11).		
Sub-total carried forward	-	-



38.2 Facilities utilized under the different CTA's (continued)

MBAC facility (continued)

	31 December 2019	31 December 2018
Balance brought forward	-	-
Saudi Industrial Development Fund	-	860,000,000
Less: Repaid during the year	-	(860,000,000)
Sub-total	-	-
Less: Transaction cost balance at the year end	-	-
Sub-total	-	-
Repayment of the SIDF facility started from July 2017. The repayments started at SAR 40 million and increasing over the term of the loan with the final repayment of SAR 80 million in April 2024 (Note 38.9).		
SIDF has withheld loan processing and evaluation fee of SAR 75 million and will be amortized over the term of the loan.		
The upfront transaction cost incurred, is amortized over the term of the loan amounted to Nil (31 December 2018: SAR 48,680,596) (Note 38.11).		
Riyal Murabaha facility (a working capital facility)	-	-
The rate of profit on the purchase price i.e. principal amount of the loan drawn for each commission period is Saudi Interbank Offered Rate ("SIBOR") plus 0.95%.		
The repayment of Murabaha facility was due on 24 January 2019 (Note 38.9).		
Total MBAC borrowings (Note 38.8)	-	-

MBAC facility – restructured on 16 July 2018

Public Investment Fund (Note 47.2)	3,506,250,000	3,506,250,000
Less: Repaid during the year	(74,332,500)	-
Sub-total	3,431,917,500	3,506,250,000
Less: Transaction cost balance at the year end	(107,636,682)	(116,927,162)
Sub-total	3,324,280,818	3,389,322,838
The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period is LIBOR plus 1.5%.		
After the restructuring on 16 July 2018, the repayment of the loan started on 30 June 2019, on a six monthly basis, starting at SAR 74.3 million and increasing over the term of the loan with the final repayment of SAR 392.7 million on 31 July 2031 (Note 38.9).		
The upfront transaction cost incurred on the restructuring amounting to SAR 42,562,500 has been added to the unamortized upfront transaction cost balance before restructuring amounting to SAR 69,746,252. Further, non-cash transaction cost amounting to SAR 9,163,384 was also added as the difference between the carrying value of the borrowing before restructuring and present value of the cash flows after restructuring, discounted using the effective interest rate of the borrowings before restructuring. The total amount is netted-off against the loan balance as on 16 July 2018 and is amortized over the term of the loan amounted to SAR 9,290,480 (31 December 2018: SAR 4,544,974) (Note 38.11).		
Sub-total carried forward	3,324,280,818	3,389,322,838



38.2 Facilities utilized under the different CTA's (continued)

MBAC facility (continued)

	31 December 2019	31 December 2018
Balance brought forward	3,324,280,818	3,389,322,838
Islamic and commercial banks		
Riyal Murabaha	4,025,000,000	4,025,000,000
Riyal Wakala	220,000,000	220,000,000
	4,245,000,000	4,245,000,000
Less: Repaid during the year	(71,170,500)	-
Sub-total	4,173,829,500	4,245,000,000
Less: Transaction cost balance at the year end	(32,905,612)	(37,802,897)
Sub-total	4,140,923,888	4,207,197,103
The rate of commission on the principal amount (lease base amount in case of Wakala facilities) of the loan drawn for each commission period on all the Saudi Riyal facilities is SIBOR plus a margin (mark-up in case of Wakala facilities) of 1.55% for Riyal Murabaha Tranche B and Riyal Wakala and 1.45% for Riyal Murabaha Tranche A. The upfront transaction cost incurred amounting to SAR 40,250,000 is amortized over the term of the loan amounted to SAR 4,897,285 (31 December 2018: SAR 2,447,103) (Note 38.11).		
Riyal Murabaha facility (a working capital facility)	686,693,750	340,000,000
Less: Repaid during the year	(340,000,000)	-
Sub-total	346,693,750	340,000,000
Less: Transaction cost balance at the year end	(2,492,721)	-
Sub-total	344,201,029	340,000,000
Riyal Murabaha facility as at 31 December 2018 was repaid in full and a new Murabaha facility was drawn down during the quarter ended 31 March 2019. The rate of profit on the purchase price i.e. principal amount of the loan drawn for each commission period was Saudi Interbank Offered Rate ("SIBOR") plus 0.95% on the repaid facility and is SIBOR plus 0.8% on the new drawn down facility. The repayment of Murabaha facility will be due in January 2024 (Note 38.9). The upfront transaction cost incurred amounting to SAR 2,941,000 is amortized over the term of the loan amounted to SAR 448,279 (31 December 2018: Nil) (Note 38.11).		
Total MBAC borrowings (Note 38.8)	7,809,405,735	7,936,519,941

38.2 Facilities utilized under the different CTA's (continued)



MWSPC facility

	31 December 2019	31 December 2018
Public Investment Fund (Note 47.2)	6,839,278,174	6,839,278,174
Less: Repaid during the year	(239,374,811)	-
Sub-total	6,599,903,363	6,839,278,174
Less: Transaction cost balance at the year end	(49,137,337)	(55,803,888)
Sub-total	6,550,766,026	6,783,474,286

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is LIBOR plus 1.5% per annum.

The repayment of the principal amount of loan will be in 24 installments on a six monthly basis starting from 30 June 2019. The repayments are starting at SAR 112.5 million and increasing over the term of the loan with the final repayment of SAR 606 million on 31 December 2030 (Note 38.9).

The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 6,666,551 (31 December 2018: SAR 1,674,254) (Note 38.11).

Islamic and commercial banks

Dollar procurement	304,392,518	304,392,518
Saudi Riyal procurement	2,620,254,420	2,620,254,420
Commercial	5,182,626,350	5,182,626,350
Wakala	1,488,141,198	1,488,141,198
Sub-total	9,595,414,486	9,595,414,486
Less: Repaid during the year	(886,918,187)	-
Sub-total	8,708,496,299	9,595,414,486
Less: Transaction cost balance at the year end	(14,230,753)	(16,721,061)
Sub-total	8,694,265,546	9,578,693,425

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period is LIBOR plus 1.25% to 2.10% per annum.

The repayment of the principal amounts of loans started from 30 June 2019. The repayments are starting at SAR 171 million and increasing over the term of the loan with the final repayment of SAR 809 million on 31 December 2030 (Note 38.9).

The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 2,490,308 (31 December 2018: SAR 29,982,875) (Note 38.11).

Sub-total carried forward	15,245,031,572	16,362,167,711



38.2 Facilities utilized under the different CTA's (continued)

MWSPC facility

	31 December 2019	31 December 2018
Balance brought forward	15,245,031,572	16,362,167,711
Saudi Industrial Development Fund	3,940,000,000	3,905,000,000
Less: Repaid during the year	(145,000,000)	(60,000,000)
Sub-total	3,795,000,000	3,845,000,000
Less: Transaction cost balance at the year end	(276,443,286)	(297,501,808)
Sub-total	3,518,556,714	3,547,498,192

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is in the range of 1.7% per annum.

The repayment of the principal amounts of loans started from 22 December 2018. The repayments are starting at SAR 60 million and increasing over the term of the loan (Note 38.9).

The upfront transaction cost incurred is amortized over the term of the loan amounted to SAR 21,058,522 (31 December 2018: SAR 1,658,192) (Note 38.11).

Total MWSPC borrowings (Note 38.8)

18,763,588,286	19,909,665,903

Ma'aden facility (Loan agreement with PIF)

	31 December 2019	31 December 2018
Public Investment Fund	2,986,387,500	-
Less: Conversion of loan to share capital i.e. 62,112,885 ordinary shares with a nominal value of SAR 10 per share (Note 33)	(621,128,850)	-
Less: Conversion of loan to share premium i.e. 62,112,885 ordinary shares with a nominal value of SAR 10 per share, issued at a premium of SAR 38.08 per share (Note 34)	(2,365,258,650)	-
Total	-	-

38.3 Syndicated revolving credit facility

Ma'aden facility

	31 December 2019	31 December 2018
Syndicated revolving credit facility (Note 38.9 and 50.3)	-	-

The rate of commission on the principal amount of the borrowing drawdown is SIBOR plus 0.85% per annum.



38.4 Facility utilized under the different CTA's

MGBM facility

As Suq mine

Saudi Industrial Development Fund

Less: Repaid during the year

Sub-total

Less: Transaction cost balance at the year end

Sub-total

The repayment of this loan started on 20 July 2016, on a six monthly basis, starting at SAR 8 million and increasing over the term of the loan with the final repayment of SAR 18 million on 9 November 2022 (Note 38.9).

The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 1,836,357 (31 December 2018: SAR 2,199,862) (Note 38.11).

Ad-Duwayhi mine and water pipeline

Saudi Industrial Development Fund

Less: Repaid during the year

Sub-total

Less: Transaction cost balance at the year end

Sub-total

The repayment of this loan started on 9 July 2017, on a six monthly basis, starting at SAR 60 million and increasing over the term of the loan with the final repayment of SAR 100 million on 30 October 2023 (Note 38.9).

The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 12,003,224 (31 December 2018: SAR 14,118,092)(Note 38.11).

Total MGBM borrowings (Note 38.8)

31 December 2019	31 December 2018
121,000,000	143,000,000
(25,000,000)	(22,000,000)
96,000,000	121,000,000
(2,718,798)	(4,555,155)
93,281,202	116,444,845
920,000,000	1,070,000,000
(160,000,000)	(150,000,000)
760,000,000	920,000,000
(23,350,755)	(35,353,979)
736,649,245	884,646,021
829,930,447	1,001,090,866

38.5 Facilities utilized under the different MFAs

MIC facility

HSBC Saudi Arabia Limited – as agent for the Murabaha facility participants

Less: Repaid during the year

Sub-total

Less: Transaction cost balance at the year end

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is in the range of SIBOR plus 1 % per annum.

The repayment of the principal amount of the loan started from 30 December 2016, in equal principal repayments of SAR 39 million, on a semi-annual over a 10 year period with the final principal repayment of SAR 298 million on 30 December 2025 (Note 38.9).

The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 1,000,000 (31 December 2018: SAR 1,000,000) (Note 38.11).

Total MIC borrowings (Note 38.8)

31 December 2019	31 December 2018
805,000,000	883,000,000
(78,000,000)	(78,000,000)
727,000,000	805,000,000
(6,000,000)	(7,000,000)
721,000,000	798,000,000
721,000,000	798,000,000



MPC facility

	31 December 2019	31 December 2018
Riyad Bank – as agent for the Murabaha facility participants	5,900,882,353	10,344,375,000
Less: Repaid during the year	(737,610,296)	(4,443,492,647)
Sub-total	5,163,272,057	5,900,882,353
Less: Transaction cost balance at the year end	(31,347,790)	(44,679,272)
	5,131,924,267	5,856,203,081

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is in the range of SIBOR plus 1% per annum for SAR Murabaha facility and LIBOR plus 1.1% per annum for US Dollar Murabaha facility.

The repayment of this loan started from 25 February 2017, starting at SAR 575 million and increasing over the term of the loan with the final repayment of SAR 3,448 million on 25 February 2023 (Note 38.9).

The upfront transaction cost balance is amortized over the term of the loan amounted to SAR 13,331,482 (31 December 2018: SAR 38,216,227) (Note 38.11).

Total MPC borrowings (Note 38.8)

5,131,924,267 5,856,203,081

38.6 Facility utilized under SFA

MPC facility

	31 December 2019	31 December 2018
HSBC Saudi Arabia – as agent for the sukuk facility	3,500,000,000	3,500,000,000
Less: Transaction cost balance at the year end	(3,592,958)	(4,217,888)
	3,496,407,042	3,495,782,112

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is in the range of SIBOR plus 1.35% per annum

The one-time repayment of this loan will be on 20 February 2025 (Note 38.9).

The upfront transaction cost balance is amortized over the term of the loan amounted to SAR 624,930 (31 December 2018: SAR 507,112) (Note 38.11).

Total MPC borrowings (Note 38.8)

3,496,407,042 3,495,782,112



38.7 Meridian

	31 December 2019	31 December 2018
Commercial banks		
African Development Bank Limited	59,839,309	
The above loan is secured against inventory, bears interest rate at 22% per annum and has no specified repayment terms		
Eco Bank Limited	24,298,826	
The above loan is secured by a cross company guarantee, bears interest rate at 19% per annum. The loan is to be repaid over 36 months period with the final installment payable on 31 May 2022		
First Merchant Bank Malawi Limited	16,516,286	
The above loan is secured by a mortgage bond over silos in Kanaego, Lilongwe Malawi, bears interest rate at 9% per annum		
Bank overdraft and other facilities	306,935,172	
Total Borrowings (Note 38.8)	407,589,593	

38.8 Total borrowings

	Notes	31 December 2019	31 December 2018
Facilities utilized under:			
CTAs:			
MAC – restructured on 14 December 2017	38.2	10,957,875,000	10,957,875,000
MRC – restructured on 19 December 2019	38.2	1,587,500,000	4,796,157,500
MBAC – restructured on 16 July 2018	38.2	7,952,440,750	8,091,250,000
MWSPC	38.2	19,103,399,662	20,279,692,660
Syndicated Revolving Credit Facility:			
Ma'aden	38.3	-	-
MGBM facility	38.4	856,000,000	1,041,000,000
MFAs:			
MIC	38.5	727,000,000	805,000,000
MPC	38.5	5,163,272,057	5,900,882,353
SFA:			
MPC	38.6	3,500,000,000	3,500,000,000



Meridian	38.7	407,589,593	-
Sub-total	50	50,255,077,062	55,371,857,513
Less: Transaction cost balance at the year end		(661,584,459)	(805,369,185)
Sub-total	38	49,593,492,603	54,566,488,328
Less: Current portion of borrowings shown under current liabilities			
MRC		50,000,000	960,572,745
MBAC		275,639,625	485,503,000
MWSPC		784,010,773	716,071,386
MGBM		198,000,000	185,000,000
MIC		78,000,000	78,000,000
MPC		737,610,294	737,610,294
Ma'aden		-	-
Meridian		312,959,089	-
Sub-total	38,50	2,436,219,781	3,162,757,425
Long-term portion of borrowings	38,50	47,157,272,822	51,403,730,903

38.9 Maturity profile of long-term borrowings

	Note	31 December 2019	31 December 2018
2019		-	3,162,757,425
2020		2,436,219,781	2,438,872,312
2021		3,814,100,886	4,098,343,546
2022		4,546,568,895	4,862,984,944
2023		5,483,265,997	5,938,367,968
2024		4,043,276,958	4,155,259,835
2025		2,490,663,543	4,155,259,835
2026 through 2030		27,440,981,001	26,560,011,648
Total	49.3	50,255,077,061	55,371,857,513

38.10 Facilities' currency denomination

Essentially half of the Group's facilities have been contracted in United States Dollar (US\$) and Saudi Riyals (SAR) respectively and the drawdown balances of these facilities, represented in US\$, are shown below:



		31 December 2019 (USD)	31 December 2018 (USD)
Public Investment Fund (USD)	3,851,728,380	4,695,277,513	
Islamic and commercial banks			
Procurement (USD)	79,953,768	81,171,338	
Procurement (SAR)	592,586,426	968,006,512	
Commercial (USD)	1,789,054,405	1,783,033,693	
Wakala (SAR)	394,356,423	455,504,320	
Murabaha (SAR)	2,436,216,933	2,454,333,333	
Sub-total		5,292,167,955	5,742,049,196
Saudi Industrial Development Fund (SAR)	1,310,933,333	1,416,266,666	
Murabaha facility (SAR)		1,325,739,216	1,108,235,294
Murabaha facility (USD)		595,000,000	680,000,000
Sukuk facility (SAR)		933,333,333	933,333,333
Riyal Murabaha facility (a working capital facility) (SAR)		92,451,667	190,666,667
Total		13,401,353,884	14,765,828,669

38.11 Amortization of transaction cost

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
CTAs:			
MAC – restructured on 14 December 2017	38.2	14,053,320	14,034,170
MRC – restructured on 19 December 2019	38.2	23,498,376	21,173,903
MBAC	38.2	14,636,044	97,878,336
Facility signed on 27 November 2011		-	100,049,643
Facility restructured on 16 July 2018		14,636,044	6,992,077
Non-cash transaction cost		-	(9,163,384)
MWSPC	38.2	30,215,381	33,315,321
MGBM facility	38.4	13,839,581	16,317,954
MFAs:			
MIC	38.5	1,000,000	1,000,000
MPC	38.5	13,331,482	38,216,227
SFA:			



MPC	38.6	624,930	507,112
Sub-total		111,199,114	222,443,023
Less: Capitalised as part of capital work-in-progress			
MWSPC		-	29,464,834
MGBM		2,094,184	-
Sub-total	15.1,21	2,094,184	29,464,834
Total charged to finance cost	15	109,104,930	192,978,189

38.12 Security

The following assets were pledged as security for these long-term borrowings in accordance with the applicable CTAs:

	Notes	31 December 2019	31 December 2018
Mine properties	18.2	4,951,673,769	5,243,258,431
Property, plant and equipment	19.2	27,277,743,656	27,704,144,742
Capital work-in-progress	21.1	887,773,606	606,061,169
Intangible assets	22	11,428,944	13,878,004
Total		33,128,619,975	33,567,342,346

39. Provision for decommissioning, site rehabilitation and dismantling obligations

	Notes	31 December 2019	31 December 2018
Gold mines	39.1	120,554,820	106,543,501
Bauxite mine	39.2	122,222,998	108,214,608
Phosphate mines	39.3	203,662,693	164,888,037
Low grade bauxite, kaolin and magnesite mines	39.4	4,655,004	5,979,183
Total		451,095,515	385,625,329

Decommissioning provisions are made for the mine closure, reclamation and dismantling obligation of the mine and the related plants and infrastructure. These obligations are expected to be incurred in the year in which the mine is expected to be closed. Management estimates the provision based on management's understanding of the current legal requirements in the Kingdom of Saudi Arabia, terms of the license agreements and engineering estimates.

The provision for mine decommissioning obligation represents the present value of full amount of the estimated future closure and reclamation costs for the various operational mining properties, based on information currently available including closure plans and applicable regulations. Future changes, if any, in regulations and cost assumptions may be significant and will be recognised when determined.

The movement in the provision for mine decommissioning obligation for each of the mines along with the year in which they commenced commercial production and expected date of closure is as follows:



39.1 Gold mines

	Notes	As Suq mine	Mahad mine
1 January 2018		15,310,498	22,337,682
Increase arising from passage of time during the year	15	1,364,181	2,261,007
31 December 2018	39	16,674,679	24,598,689
Increase arising from passage of time during the year	15	1,488,364	2,466,829
Adjustment during the year credited to other income	16	(1,868,094)	-
Adjustment in provision during the year	18	(1,452,722)	-
31 December 2019	39	14,842,227	27,065,518
Commenced commercial production in		2014	1988
Expected closure date in		2023	2023



	Ad Duwayhi mine	Al-Amar mine	Sukhaybarat mine	Bulghah mine	Total
	12,551,782	8,437,893	13,860,371	24,750,589	97,248,815
	1,361,096	841,265	1,308,540	2,158,597	9,294,686
	13,912,878	9,279,158	15,168,911	26,909,186	106,543,501
	1,497,206	925,392	1,439,394	2,355,097	10,172,282
	-	-	-	(8,311,649)	(10,179,743)
	7,189,293	3,698,898	4,583,311	-	14,018,780
	22,599,377	13,903,448	21,191,616	20,952,634	120,554,820

2016

2008

1991

2001

2027

2029

2034

2034



39.2 Bauxite mine

	Notes	Al-Ba'itha mine
1 January 2018		35,000,134
Increase arising from passage of time during the year	15	1,711,467
Increase in provision during the year	18	71,503,007
31 December 2018	39	108,214,608
Increase arising from passage of time during the year	15	4,057,228
Adjustment in provision during the year	18	9,951,162
31 December 2019	39	122,222,998
Commenced commercial production in		2014
Expected closure date in		2059

39.3 Phosphate mines

	Notes	Al-Jalamid mine	Al-Khabra mine	Total
1 January 2018		60,319,270	90,485,083	150,804,353
Increase arising from passage of time during the year	15	7,569,044	4,611,150	12,180,194
Increase in provision during the year	18	-	1,903,490	1,903,490
31 December 2018	39	67,888,314	96,999,723	164,888,037
Increase arising from passage of time during the year	15	3,033,433	5,041,760	8,075,193
Adjustment in provision during the year	18	6,160,829	24,538,634	30,699,463
31 December 2019	39	77,082,576	126,580,117	203,662,693
Commenced commercial production in		2008	2017	
Expected closure date in		2042	2045	

39.4 Low grade bauxite, kaolin and magnesite mines

	Notes	Az-Zabirah mine	Al-Ghazallah mine	Madinah plants	Total
1 January 2018		2,223,298	230,306	3,166,245	5,619,849
Increase arising from passage of time during the year	15	203,333	20,417	135,584	359,334
31 December 2018	39	2,426,631	250,723	3,301,829	5,979,183
Increase arising from passage of time during the year	15	75,636	3,773	97,317	176,726
Adjustment during the year	18	(482,269)	(161,957)	(856,679)	(1,500,905)
31 December 2019	39	2,019,998	92,539	2,542,467	4,655,004
Commenced commercial production in		2008	2011	2011	
Expected closure date in		2036	2057	2041	



40. Lease liability

		31 December	31 December
	Notes	2019	2018
Future minimum lease payments	40.1	2,092,572,575	28,117,012
Less: Future finance cost not yet due	40.2	(825,972,265)	(933,232)
Net present value of minimum lease payments	7.2, 49.3	1,266,600,310	27,183,780
Less: Current portion of lease liability shown under current liabilities		(139,480,855)	(21,462,970)
Long-term portion of lease liability		1,127,119,455	5,720,810

Maturity profile

Minimum lease payments falling due during the following years:

2019	-	22,315,272
2020	208,480,827	5,801,740
2021	127,793,761	-
2022	74,723,615	-
2023	69,896,936	-
2024	65,482,259	-
2025 thereafter	1,546,195,177	-
Total	2,092,572,575	28,117,012

40.1 Movement in future minimum lease payments:

		31 December	31 December
	Notes	2019	2018
1 January		28,117,012	65,380,978
IFRS 16 adjustments:			
Initial recognition of lease liability	20	2,162,854,688	-
Sub-total		2,190,971,700	65,380,978
Additions during the year	20	115,823,252	-
Payments during the year		(204,199,919)	(37,263,966)
Adjustment		(10,022,458)	-
31 December	40	2,092,572,575	28,117,012

40.2 Movement in future finance cost:

		31 December	31 December
	Notes	2019	2018
1 January		(933,232)	(3,532,891)
IFRS 16 adjustments:			
Initial recognition of lease liability	20	(870,374,617)	-
Sub-total		(871,307,849)	(3,532,891)
Accretion of future finance cost during the year	15	53,004,942	2,599,659
Additions during the year	20	(8,383,312)	-
Adjustment		713,954	-
31 December	40	(825,972,265)	(933,232)

The future minimum lease payments have been discounted, using an effective interest rate of approximately 4% per annum, to its present value.



41. Derivative financial instruments

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
1 January		28,888,908	-
Net settlement of accrued derivative interest		8,940,943	1,948,045
Accrual during the year	15	23,991,691	1,948,045
Paid during the year		(15,050,748)	-
Loss in fair value of hedge instrument charged to other comprehensive income	36.2	198,893,932	26,940,863
31 December	49.3	236,723,783	28,888,908

Loss in fair value of hedge instrument charged to other comprehensive income is attributable to:

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
Ordinary shareholders of the parent company		148,971,556	20,178,706
Non-controlling interest	36.3	49,922,376	6,762,157
Total	36.3	198,893,932	26,940,863

MAC and MBAC entered into interest rate swap agreements ("hedge instrument") with financial institutions for a certain portion of its long-term borrowings to hedge against the changes in the LIBOR ("hedge item"). The hedging instruments and hedging item have similar critical terms such as reference rate, reset dates, payment dates, maturities and notional amount.

The arrangement has been designated as hedging arrangement since its inception and subject to prospective testing of hedge effectiveness at each reporting date. As on 31 December 2019, the hedge effectiveness was evaluated to be 100% as all critical terms matched throughout the year.

The various agreements entered into by the companies were as follows:

- Effective 1 October 2018, for a notional amount of SAR 1,820,250,000 with a maturity date of 29 September 2023
- Effective 1 April 2019, for a notional amount of SAR 1,800,000,000 with a maturity date of 1 April 2024
- Effective 30 June 2019, for a notional amount of SAR 1,227,187,500 with a maturity date of 28 June 2024

The swap contracts require settlement of net interest receivable or payable every six months ending 31 March and 30 September. The settlement dates coincide with the dates on which interest is payable on the underlying deb. The effect of interest swaps on the Company's financial position and performance are as follows:

	31 December 2019	31 December 2018
Carrying amount (liability)	230,981,810	28,888,908
Notional amount	4,847,437,500	1,820,250,000
Hedge ratio	1:1	1:1
Loss in value of hedge item used to determine hedge effectiveness	225,834,795	26,940,863

Accumulated loss in fair value of outstanding hedging instruments

	Year ended 31 December 2019	Year ended 31 December 2018
1 January	26,940,863	-
Loss for the year charged to other comprehensive loss	198,893,932	26,940,863
31 December	225,834,795	26,940,863

42. Employees' benefits

	Notes	31 December 2019	31 December 2018
Employees' end of service termination benefits obligation	42.1	625,553,417	545,417,883
Employees' savings plan	42.2	96,845,788	73,045,857
Total		722,399,205	618,463,740

42.1 Employees' end of service termination benefits obligation

The Group operates a termination benefit plan in line with the Labor Law requirement in the Kingdom of Saudi Arabia for each of the respective subsidiary entities. The end of service benefit payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labor Laws of the Kingdom of Saudi Arabia.

Employees' end of service termination benefit plans are unfunded plans and the benefit payment obligations are met when they are due.

Amounts recognized in the consolidated statement of financial position

The amounts recognised in the consolidated statement of financial position and the movements in the employees' end of service termination benefits obligation over the year are as follows:

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
1 January		545,417,883	462,754,423
Total amount recognised in profit or loss		104,894,761	114,434,904
Current service cost		80,372,421	93,617,211
Finance cost	15	24,522,340	20,817,693
Loss attributable to the re-measurements of employees' end of service termination benefits obligation	42.1.1	329,869	26,239,111
Loss from change in financial assumptions		13,156,626	26,239,111
Experience gains		(12,826,757)	-
Settlements		(25,089,096)	(58,010,555)
31 December	42	625,553,417	545,417,883



42.1.1 Loss attributable to the re-measurements of employees' end of service termination benefits obligation recognised in other comprehensive income:

		Year ended 31 December 2019	Year ended 31 December 2018
	Notes		
Re-measurement loss debited in other comprehensive income during the year*		329,869	24,162,881
Re-measurement loss capitalised as part of qualifying assets in capital work-in-progress during the year	21	-	2,076,230
Total	42.1	329,869	26,239,111

42.1 Employees' end of service termination benefits obligation (continued)

*Re-measurement loss debited in other comprehensive income during the year is attributable to:

		Year ended 31 December 2019	Year ended 31 December 2018
	Notes		
Shareholders of the parent company		42,419	21,246,663
Non-controlling interest	36.2,36.3	287,450	2,916,218
Total		329,869	24,162,881

Significant actuarial assumptions

The significant actuarial assumptions used in determining employees' end of service benefits obligation were as follows:

	31 December 2019	31 December 2018
Discount rate	%4	%4.5
Salary increase rate	%4-2.5	%4.5-2.5
Mortality rate	A80 table	A90 table
Withdrawal rate	%6	%5

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Sensitivity level % increase	Impact on ter- mination bene- fit obligation	Sensitivity level % decrease	Impact on ter- mination benefit obligation
31 December 2019				
Discount rate	1%	(68,370,305)	1%	89,638,987
Salary increase rate	1%	89,069,455	1%	(68,975,640)
Mortality rate	10%	(119,499)	10%	119,513
Withdrawal rate	10%	(1,760,320)	10%	1,836,375

31 December 2018

Discount rate	%1	(60,308,659)	%1	77,460,329
Salary increase rate	%1	77,016,977	%1	(61,098,034)
Mortality rate	%10	(106,594)	%10	106,856
Withdrawal rate	%10	(1,650,565)	%10	1,724,111

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employees' end of service termination benefit obligation to significant actuarial assumptions the same method (present value of the employees' end of service termination benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the employees' end of service termination benefit obligation recognised in the consolidated statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

42.1 Employees' end of service termination benefits obligation (continued)

Effect of employees' end of service termination benefits obligation on entity's future cash flows

The weighted average duration of the employees' end of service termination benefits obligation is 12.74 years. The expected maturity analysis of undiscounted employees' end of service termination benefits obligation is as follows:

	31 December 2019	31 December 2018
2019	-	36,046,842
2020	45,339,769	27,135,289
2021	32,773,551	30,216,231
2022	23,496,868	20,482,643
2023	24,544,734	21,456,586
2024	23,726,642	21,456,586
and thereafter 2025	953,684,696	863,899,139
Total	1,103,566,260	1,020,693,316

Employees' savings plan

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
January 1		73,045,857	69,872,871
Contribution for the year		38,775,217	41,620,333
Withdrawals during the year		(14,975,286)	(38,447,347)
31 December	32,42	96,845,788	73,045,857



43. Projects, trade and other payables

		Year ended 31 December 2019	Year ended 31 December 2018
	Notes		
Non-current portion			
Gross retention withheld from progress payments		679,931,813	841,759,354
Less: Current portion of retention payable (see below)		(679,931,813)	(640,030,514)
		-	201,728,840
Less: Unamortized discount for long-term retention payable	43.1	-	(11,052,030)
Present value of long-term portion of retention payable		-	190,676,810
Non-refundable contributions	43.2	90,373,425	110,887,008
Non-controlling interest put option	43.3	78,900,805	-
Sub-total		169,274,230	301,563,818
Current portion			
Current portion of retention payable (see above)		679,931,813	640,030,514
Projects		511,325,834	381,341,917
Trade		1,762,725,865	1,099,386,910
Advances from customers		22,693,500	14,761,906
Rebate payable to customers		73,545,790	32,602,905
Other		118,877,401	47,267,960
Sub-total		3,169,100,203	2,215,392,112
Total	49.3,51	3,338,374,433	2,516,955,930

Non-current retentions and other payables are stated at their discounted value as these are due to be settled more than 12 months after the statement of financial position date.

Project payables mainly represents the liability in respect of contracts cost arising from MRC, MBAC and MWSPC.

43.1 Movement in unamortized discount for long-term retention payable

		Year ended 31 December 2019	Year ended 31 December 2018
	Notes		
January 1		(11,052,030)	(42,328,871)
Unwinding of discount of non-current retention payable charged to finance cost	15	11,052,030	31,276,841
31 December	43	-	(11,052,030)



43.2 Movement in non-refundable contributions

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
1 January		110,887,008	133,582,586
%1 deduction from certain contractor's progress payments		7,644,454	25,453,667
Provision for research and development fund	16	-	4,524,918
Provision for community development fund	16	-	4,524,918
Payments made to community support project		(28,158,037)	(57,199,081)
31 December	43	90,373,425	110,887,008

Contributed by one of the MAC's and MWSPC's contractors to support the companies' objective to establish a social responsibility fund for the development of a community project.

43.3 Non-controlling interest Put options

As also explained in Note 5, the Group, through its subsidiary MMDC, acquired 85% of issued share capital of the Meridian Consolidated Investments Limited (Meridian Group or Meridian) carrying full voting rights, a leading fertilizer distribution company operating in East Africa on 8 August 2019.

Put option

The shareholders agreement between Ma'aden and Meridian include clauses of Put options whereby the non-controlling interest equity holders in Meridian may exercise their Put options in respect of the following tranches of non-controlling interest held in Meridian at any time during the Put Option exercise period:

Relevant tranche	Percentage of non-controlling interest	Put option reference period
First tranche	25%	Financial year end of Meridian on 31 March 2020 ("FY20")
Second tranche	25%	Financial year end of Meridian on 31 March 2021 ("FY21")
Third tranche	25%	Financial year end of Meridian on 31 March 2022 ("FY22")
Fourth tranche	25%	Financial year end of Meridian on 31 March 2023 ("FY23")

The decision to exercise the Put option or otherwise to roll-over the relevant tranche to a later Put option reference date shall be made by the non-controlling equity holders in Meridian between 45 and 90 days before the Put option reference date («Put option exercise period»).

As per the terms of shareholders' agreement, Put options held by the non-controlling equity holders in Meridian are binding irrevocable options to sell the remaining 15% shareholding to MMDC in 2023 if the options are not exercised before that. The call and put option exercise price for each relevant tranche shall be calculated in accordance with the shareholders agreement i.e. by applying relevant multiplier to the audited EBITDA for the relevant tranche multiplied by non-controlling interest shares subject to the call and put option divided by the total number of shares of Meridian. The Group has estimated a gross cash outflow of range of Saudi Riyals 78.3 million to Saudi Riyals 110.6 million at



the exercise of option. A pre-tax discount rate of 26% has been used for redemptions values based on the options. This is a level 3 fair valuation as per IFRS 13.

44. Accrued expenses

	Notes	31 December 2019	31 December 2018
Projects		304,989,331	490,588,399
Trade		1,548,217,353	1,164,954,284
Employees		265,005,061	220,005,734
Accrued expenses – Alcoa Corporation	471,47.2	37,353,100	33,767,454
Accrued expenses – The Mosaic Company	471,47.2	15,713,516	-
Total	49.3,51	2,171,278,361	1,909,315,871

Accrued expenses for projects mainly represents the contract cost accruals in relation to MRC, MBAC and MWSPC.

Accrued expenses for Alcoa Corporation mainly represents the personnel and other cost accruals related to the Alcoa Corporation employees seconded to MAC, MRC and MBAC.

Accrued expenses for The Mosaic Company mainly represents the personnel and other cost accruals related to the Mosaic employees seconded to MWSPC.

45. Zakat and income tax payable

	Notes	31 December 2019	31 December 2018
Zakat payable	45.2	256,524,753	189,153,041
Income tax payable	45.5	10,845,066	1,548,530
Total		267,369,819	190,701,571

45.1 Components of zakat base

The significant components of the zakat base of each company under the zakat and income tax regulation are as follows:

- shareholders' equity at the beginning of the year,
- provisions at the beginning of the year,
- long term borrowings,
- adjusted net income,
- spare parts and consumable materials,
- net book value of mine properties,
- net book value of property, plant and equipment,
- net book value of capital work-in-progress,
- net book value of intangible assets,
- carrying value of investment in joint ventures and
- other items.

Zakat is calculated at 2.5% of the higher of the zakat base or adjusted net income.

45.2 Zakat payable

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
1 January		189,153,041	115,597,038
Provision for zakat		249,156,159	216,232,355
Current year	45.3	180,206,955	189,153,041
Prior year under provision		68,949,204	27,079,314
Paid during year to the authorities	45.4	(181,784,447)	(142,676,352)
31 December	45	256,524,753	189,153,041

45.3 Provision for zakat consists of:

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
Saudi Arabian Mining Company		74,474,583	93,555,304
Ma'aden Gold and Base Metals Company (MGBM)	46.2	10,931,310	13,601,477
Industrial Minerals Company		4,204,994	2,430,870
Ma'aden Infrastructure Company		3,083,235	2,988,100
Ma'aden Phosphate Company		13,558,012	23,202,808
Ma'aden Wa'ad Al-Shamal Phosphate Company		13,904,140	16,671,397
Ma'aden Aluminium Company		26,571,891	17,553,584
Ma'aden Rolling Company		11,673,632	3,105,620
Ma'aden Bauxite and Alumina Company		21,805,158	16,043,881
Total	45.2	180,206,955	189,153,041

45.4 Status of final assessments

The Company and its three wholly owned subsidiaries have diligently filed their consolidated zakat returns for the financial years 2014 to 2018 and have received provisional zakat certificates for the same. No final assessment for the Company and its three wholly owned subsidiaries for the five years, 2014 to 2018, have been issued by GAZT. The Company, based on the results of the assessed years from 2009 to 2013, has made its best estimate for the most likely outcome over position taken on balances and transactions the result of which are uncertain for the un-assessed years from 2014 to 2018 and have recorded an additional provision in anticipation of the final assessment to be issued by GAZT.

For the remaining 5 subsidiaries with minority shareholders, comprising of Saudi and foreign shareholders, zakat and income tax returns have been filed diligently from the date of incorporation (see Note 2) until 31 December 2018 and provisional zakat and income tax certificates upto 31 December 2018 have been received, but no final zakat and income tax assessments.



45.5 Income tax payable

		Year ended 31 December 2019	Year ended 31 December 2018
	Notes		
1 January		1,548,530	26,059,632
Addition through business combination	5	1,967,678	-
Provision / (reversal) of income tax	24.1	13,026,770	(10,199,311)
Current year	45.6	13,026,770	1,548,530
Prior year over provision		-	(11,747,841)
Paid during year to the authorities		(5,697,912)	(14,311,791)
31 December	45	10,845,066	1,548,530

45.6 Provision for income tax consist of:

		Year ended 31 December 2019	Year ended 31 December 2018
	Notes		
Ma'aden Aluminium Company		-	1,548,530
Meridian		13,026,770	-
Total	45.5	13,026,770	1,548,530

46. Severance fees payable

		Year ended 31 December 2019	Year ended 31 December 2018
	Notes		
1 January		124,800,448	73,079,354
Provision for severance fee made during the year	9	122,384,655	123,792,353
Current year charge	46.1	124,505,948	124,800,448
Prior year adjustment		(2,121,293)	(1,008,095)
Paid during year to the authorities		(122,679,155)	(72,071,259)
31 December		124,505,948	124,800,448

In accordance with the Saudi Mining Code based on the Royal Decree No. 47/M dated 20 Sha'aban 1425H (corresponding to 4 October 2004), the Group is required to pay to the Government of Saudi Arabia severance fees, representing 25% of the annual net income per mining license, as defined, or the equivalent of a hypothetical income tax, based on the annual net income, whichever is lower.

The zakat due shall be deducted from this amount. Therefore, the net income for each mining license registered in the name of MGBM, MPC, MBAC and MWSPC is subject to severance fees.

Severance fees are paid by IMC, the registered holder of a small mining license, at a fixed tariff per tonnes sold of low grade bauxite, kaolin and magnesite.

Severance fees are shown as part of cost of sales in the consolidated statement of profit or loss.

46.1 Provision for severance fees consists of:

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
Gold mines	46.2	123,090,653	123,731,990
Low grade bauxite		785,728	444,828
Kaolin		369,747	298,600
Magnesite		176,760	182,930
Dead burned magnesite		36,713	112,625
Monolithic		3,436	950
Raw ore magnesite		42,911	28,525
Total	46	124,505,948	124,800,448

46.2 The provision for severance fees payable by gold mines is calculated as follows:

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
Net income from operating mines before zakat and severance fee for the year		536,087,852	591,395,989
of the year's net income as defined 25%		134,021,963	147,848,997
Hypothetical income tax based on year's taxable net income		149,423,517	137,333,467
Provision based on the lower of the above two computations		134,021,963	137,333,467
Deduct of provision for zakat	45.3	(10,931,310)	(13,601,477)
Net severance fee provision for the year	46.1	123,090,653	123,731,990



47. Related party transactions and balances

47.1 Related party transactions

Transactions with related parties carried out during the year under review, in the normal course of business, are summarised below:

Transactions with different non-controlling shareholders in subsidiaries

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
Sales of MAC to Alcoa Inespal, S.A., in accordance with a shareholders off-take agreement, during the year		957,813,474	1,165,530,810
Sales of MPC through SABIC, in accordance with a marketing agreement, during the year		1,248,751,783	1,647,716,745
Sales of MWSPC through SABIC, in accordance with a marketing agreement – the pre-commercial production DAP sales revenue, net of production cost for the year ended 31 December 2019 amounting to Nil (31 December 2018: SAR 130,299,157) has been credited against capital work-in-progress		463,483,647	258,066,238
Sales of MWSPC through The Mosaic Company, in accordance with a marketing agreement – the pre-commercial production DAP sales revenue, net of production cost for the year ended 31 December 2019 amounting to Nil (31 December 2018: SAR 287,368,760) has been credited against capital work-in-progress		721,644,368	569,153,142
Cost of seconded employees, technology fee and other cost paid to Alcoa Corporation during the year	44	46,479,947	83,440,308
Cost of seconded employees, technology fee and other cost paid to The Mosaic Company during the year	44	86,141,068	46,696,420

47.2 Related party balances

Amount due from / (to) related parties arising from transaction with related parties are as follows:

	Notes	31 December 2019	31 December 2018
Due from joint venture partner			
Due from Alcoa Corporation being a parent company of a non-controlling shareholder in MAC, MRC and MBAC	27	-	36,686,041



47.2 Related party balances (continued)

	Notes	31 December 2019	31 December 2018
Trade and other receivables due from:			
Non-controlling shareholders:			
• SABIC in MPC - trade		201,929,255	290,801,690
• SABIC in MWSPC - trade		63,917,077	32,382,542
Sub-total - trade receivables due from SABIC	30	265,846,332	323,184,232
• The Mosaic Company in MWSPC - trade	30	39,322,107	29,807,095
Sub-total - trade receivables		305,168,439	352,991,327
Subsidiaries of a non-controlling shareholder:			
• Alcoa Inespal, S.A. in MAC - trade	30	81,997,942	93,099,730
• Alcoa Warrick LLC in MAC - trade	30	136,761,207	6,644,548
Sub-total - due from Alcoa		218,759,149	99,744,278
A joint venture company:			
• MBCC - other	30	77,456	1,107,238
A special purpose vehicle:			
• SMP - other	30	-	5,556
Total		524,005,044	453,848,399
Due to joint venture partner			
• Due to Alcoa Corporation	37	-	195,267,690
Long-term borrowings from PIF a %67.18 shareholder in Ma'aden			
Due to PIF for the financing of the:			
MAC facility - restructured on 14 December 2017	38.2	4,275,375,000	4,275,375,000
MRC facility	38.2	-	2,986,387,500
MBAC facility - restructured on 16 July 2018	38.2	3,431,917,500	3,506,250,000
MWSPC facility	38.2	6,599,903,363	6,839,278,174
Total		14,307,195,863	17,607,290,674
Payable to the parent company (ultimate shareholder) of a non-controlling shareholder:			
• Payments to increase share capital received from Alcoa Corporation in MBAC		68,155,432	68,155,432
• Payments to increase share capital received from Alcoa Corporation in MRC		-	230,387,425
• Accrued expenses due to Alcoa Corporation in MAC and MBAC	44	37,353,100	33,767,454
Total		105,508,532	332,310,311
Payable to a non-controlling shareholder			
• Accrued expenses due to The Mosaic Company in MWSPC	44	15,713,516	-



47.3 Key management personnel compensation

	Year ended 31 December 2019	Year ended 31 December 2018
Short-term employee benefits	53,145,513	22,099,530
Employees' end of service termination benefits	3,976,553	6,155,094
Total	57,122,066	28,254,624

48. Commitments and contingent liabilities

48.1 Capital commitments

	Year ended 31 December 2019	Year ended 31 December 2018
Capital expenditure contracted for:		
Property, plant and equipment	6,809,757,514	4,101,443,730

Guarantees 48.2

	Notes	31 December 2019	31 December 2018
Guarantee in favor of Saudi Aramco, for future diesel and gas feedstock supplies		111,520,244	332,248,042
Guarantees in favor of Ministry of Energy, Industry and Mineral Resources, for future purified phosphoric acid, fuel and feed stocks supplies			-
Guarantee in favor of Saudi Aramco for future supply of molten sulfur		234,375,000	234,375,000
Guarantees in favor of SIDF and other financial institutions for financing facilities available to:			
SAMAPCO	23.2.2	-	450,000,000
MBCC	23.2.2	-	375,000,000
Sub-total		-	825,000,000
Guarantee in favor of Saudi Ports Authority		18,845,851	18,879,717
Guarantee in favor of General Authority for Meteorology and Environment		-	1,753,297
Guarantees in favor of Jordan Phosphate Mine for future supply of concentrated ore		29,045,418	-
Others		4,704,925	22,583,714
Total		398,491,438	1,434,839,770

*Ma'aden guarantees to SIDF and other financial institutions for granting financing facilities to SAMAPCO and MBCC to the extent of its shareholding of 50% in the jointly controlled entities (Note 23.2).

48.3 Letters of credit



Three letters of credit sight, for the purpose of purchasing equipment and materials

31 December 2019	31 December 2018
1,437,638	11,377,635

48.4 Contingent liabilities

The Group has contingent liabilities from time to time with respect to certain disputed matters, including claims by and against contractors and lawsuits and arbitrations involving a variety of issues. These contingent liabilities arise out of the ordinary course of business. It is not anticipated that any material liabilities will be incurred as a result of these contingent liabilities.

49. Financial risk management

The Group's activities expose it to a variety of financial risks such as:

- market risk
- credit risk and
- liquidity risk

49.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk:

- foreign currency exchange risk,
- commission (interest) rate risk and
- commodity price risk

Financial instruments affected by market risk includes other investments, due from joint venture partner, trade receivables, time deposits, cash and cash equivalents, due to joint venture partner, long-term borrowings, obligation under lease, projects, trade and other payables, accrued expenses and derivative financial instruments.

The sensitivity analysis in the following sections relate to the positions as at the year end.

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed-to-floating interest rates on the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant. The sensitivity analysis is intended to illustrate the sensitivity to changes in market variables on the Group's financial instruments and show the impact on profit or loss and shareholders' equity, where applicable.

The Group's overall risk management program focuses on the unpredictability of financial market and seeks to minimize potential adverse effects on the Group's financial performance.

49.1.1 Foreign currency exchange risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's functional and reporting currency is the Saudi Riyal. The Group's transactions are principally in Saudi Riyals, US Dollars and Euros. Management monitor the fluctuations in currency exchange rates and believes that the currency risk is not significant. The bulk of the exposure is in USD and the Saudi Riyal is pegged at SAR 3.75 : USD 1 therefore, the Group is not exposed to any risk from USD denominated financial instruments.

All commodity sales contracts are USD price and so is the bulk of the procurement and capital expenditure contracts.

Foreign currency exposure

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in SAR, was as follows:

Trade receivables

Project, trade and other payables and accrued expenses

Total

31 December 2019	31 December 2018
-	-
38,585,042	23,331,286
38,585,042	23,331,286



49 Financial risk management (continued)

49.1.1 Foreign currency exchange risk (continued)

Amount recognised in consolidated financial statements

During the year, the following foreign exchange related amounts were recognised in the consolidated statement of profit or loss:

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
Foreign exchange gain included in other income / expense, net	16	6,501,013	3,027,391

Foreign currency sensitivity analysis

As shown in the table above, the Group is primarily exposed to changes in SAR / EURO exchange rates. The sensitivity of profit or loss and equity to changes in the foreign exchange rates arises mainly from EURO denominated receivable balance.

Impact on post-tax profit / equity of increase / (decrease) in foreign exchange rate:

	Year ended 31 December 2019	Year ended 31 December 2018
SAR/ EURO exchange rate		
Increase by %10	2,592,293	1,103,467
decrease by %10	(2,592,293)	(1,103,467)

The Group's exposure to other foreign exchange movements is not material.

49.1.2 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term borrowing which expose the Group to cash flow interest rate risk.

The Group's receivables and fixed rate borrowings carried at amortised cost are not subject to interest rate risk as defined in IFRS 7, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Hence, the Group's exposure to fair value interest rate risk is not material.

Cash flow hedge

The Group has entered into interest rate swap agreements which have been designated as cash flow hedge. Since the critical terms under the hedging arrangement are similar, the hedging effectiveness is expected to remain 100% throughout the life of the hedging arrangement. Below is the notional amount covered under the hedging arrangement:

	Notes	31 December 2019	31 December 2018
Notional amount hedged	41	4,847,437,500	1,820,250,000

Other comprehensive income is sensitive to higher / lower interest expense from net settled derivative as a result of changes in interest rates. The Group's other comprehensive income is affected as follows:



	Year ended 31 December 2019	Year ended 31 December 2018
Interest rate		
increase by 100 basis points	(16,849,162)	(269,408)
decrease by 100 basis points	16,849,162	269,408

Interest rate exposure

The exposure of the Group's borrowing to interest rate changes and the contractual re-pricing dates of the variable interest rate borrowings at the end of the reporting period are as follows:

	Notes	31 December 2019	31 December 2018
Fixed interest rate borrowings		4,926,000,000	5,311,000,000
Variable interest rate borrowings – repricing dates			
6 months or less		45,329,077,062	50,060,857,513
Total	38.8	50,255,077,062	55,371,857,513

Interest rate sensitivity analysis

Profit or loss and equity is sensitive to higher / lower interest expense from long-term borrowings as a result of changes in interest rates. The Group's profit before tax is affected as follows:

	Year ended 31 December 2019	Year ended 31 December 2018
Interest rate		
increase by 100 basis points	(888,976,576)	(904,634,124)
decrease by 100 basis points	888,976,576	904,634,124

49.1.3 Commodity price risk

The Group is exposed to the risk of fluctuations in prevailing market commodity prices on the mix of the mineral products it produces.

The Group makes sale of certain gold, by-products, phosphate and aluminium products on a provisional pricing basis. Revenue and a corresponding receivable from the sale of provisionally priced commodities is recognised when control over the promised goods have been transferred to the customer (which would generally be at a point in time, i.e. the date of delivery) and revenue can be measured reliably. At this date, the amount of revenue and receivable to be recognised will be estimated based on the forward market price of the commodity being sold.

However, the Group faces a risk that future adverse change in price of gold and aluminium products would result in the reduction of receivable balance. Except for gold and phosphate, the Group's normal policy is to sell its products at prevailing market prices. The Group does not generally believe commodity price hedging would provide long-term benefit to the shareholders.



Commodity price exposure

The exposure of the Group's trade receivables balance to changes in commodity prices are as follows:

	Notes	31 December 2019	31 December 2018
Trade receivables pertaining to:			
Phosphate		1,267,531,845	1,209,106,908
Aluminium		896,944,861	724,846,103
Gold		251,221,854	166,515,887
Total	30	2,415,698,560	2,100,468,898

Policies and procedure to manage commodity price risk

The Group policy is to manage these risks through the use of contract-base prices with customers.

Commodity price sensitivity analysis

The table below shows the impact on profit before tax and equity for changes in commodity prices. The analysis is based on the assumption that phosphate, aluminium and gold prices move 10% with all other variables held constant.

	31 December 2019	31 December 2018
Increase / (decrease) in phosphate prices		
Increase of %10 in USD per tonne	75,382,588	117,577,991
Decrease of %10 in USD per tonne	(75,382,588)	(117,577,991)
Increase / (decrease) in aluminium LME prices		
Increase of %10 in USD per tonne	395,533,049	432,255,220
Decrease of %10 in USD per tonne	(395,533,049)	(432,255,220)
Increase / (decrease) in gold prices		
Increase of %10 in USD per oz	251,221,854	197,633,747
Decrease of %10 in USD per oz	(251,221,854)	(197,633,747)

Physical commodity contracts

The Group enters into physical commodity contracts in the normal course of business. These contracts are not derivatives and are treated as executory contracts, which are recognized and measured at cost when the transaction occur.

49.2 Credit risk

Is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss.

The Group is exposed to credit risk if counterparties fail to make payments as they fall due.

Credit risk exposure

The Group ensures that the cash collection is made at time of sales delivery and from its financing activities, including deposits with banks and financial institutions. Credit limits are established for all customers based on internal rating



criteria. Outstanding trade receivables are regularly monitored and any credit concerns highlighted to senior management.

The Group has limited number of customers and have no history of defaults. The Group calculates life time ECL through an internally developed model. Life time ECL is computed based on days past due and rating grade of the counterparty. An allowance for life time ECL is reported either as "not impaired" or "impaired" exposure accordingly.

Cash and short-term investments are substantially placed with commercial banks with sound credit ratings. Time deposits are placed with financial institutions with investment grade rating, which are considered to have low credit risk, hence provision is recognised at an amount equal to 12 month ECL unless there is evidence of significant increase in credit risk of the counter party.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

49 Financial risk management (continued)

49.2 Credit risk (continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- External credit rating (as far as available)
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower

	Notes	12 month ECL	Life time ECL not credit impaired	Life time ECL credit impaired	Total
Time deposits	31	3,159,175,000	-	-	3,159,175,000
Less: Credit loss allowance	31.1	(2,201,194)	-	-	(2,201,194)
Carrying amount		3,156,973,806	-	-	3,156,973,806

Impairment losses on time deposits recognized in consolidated statement of profit or loss were as follows:

	Notes	Year ended 31 December 2019	Year ended 31 December 2018
1 January		2,201,194	941,528
Increase in allowance during the year		-	1,259,666
31 December	31.1	2,201,194	2,201,194



Trade receivables

The analysis of trade receivables that were past due but not impaired are as follows:

		31 December	31 December
	Notes	2019	2018
Neither past due nor impaired		2,066,581,669	2,028,134,159
Past due not impaired			
< 30 days		158,419,703	41,238,611
60-30 days		15,684,487	18,090,896
90-61 days		6,275,344	89,657
> 90 days, net		168,737,357	12,915,575
Total	30	2,415,698,560	2,100,468,898

49. Financial risk management (continued)

49.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The Group held the following deposits and cash and cash equivalents that are expected to readily generate cash inflows for managing liquidity risk. Further, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

		31 December	31 December
	Notes	2019	2018
Time deposits	31	3,156,973,806	3,532,798,806
Unrestricted cash and cash equivalents	32	3,508,050,288	5,320,116,207
Total		6,665,024,094	8,852,915,013

Liquidity risk exposure

The Group had access to the following undrawn borrowing facilities at the end of the year:

		31 December	31 December
	Notes	2019	2018
Floating rate			
- Expiring within 1 year			
Syndicated Revolving Credit Facility	38.3	-	-
- Expiring beyond 1 year			
Syndicated Revolving Credit Facility	38.3	7,500,000,000	7,500,000,000
Other facilities (mainly for project financing)		403,306,250	2,465,307,340
Fixed rate			
- Expiring within 1 year		-	-
- Expiring beyond 1 year		-	95,000,000
Total		7,903,306,250	10,060,307,340



49. Financial risk management (continued)

49.3 Liquidity risk (continued)

Maturities of financial liabilities

The tables below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	1st year	2nd years	5 - 3 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Non-derivatives as at: 31 December 2019						
Long-term borrowings (Note 38)	4,584,535,212	5,722,394,724	18,961,881,755	36,344,938,301	65,613,749,992	49,845,084,257
Lease liability (Note 40)	208,480,827	127,793,761	210,102,810	1,546,195,177	2,092,572,575	1,266,600,310
Derivative financial instruments (Note 41)	230,981,810	-	-	-	230,981,810	236,723,783
Projects, trade and other payables (Note 43)	3,169,100,203	169,274,230	-	-	3,338,374,433	3,338,374,433
Accrued expenses (Note 44)	2,171,278,361	-	-	-	2,171,278,361	2,171,278,361
Total	10,364,376,413	6,019,462,715	19,171,984,565	37,891,133,478	73,446,957,171	56,858,061,144

Non-derivatives as at: 31 December 2018

Long-term borrowings (Note 38)	5,009,409,497	4,551,190,229	21,759,548,622	43,537,848,911	74,857,997,259	54,839,306,269
Finance lease obligation (Note 40)	22,315,272	5,801,740	-	-	28,117,012	27,183,780
Derivative financial instruments (Note 41)	28,888,908	-	-	-	28,888,908	28,888,908
Projects, trade and other payables (Note 43)	2,215,392,112	301,563,818	-	-	2,516,955,930	2,516,955,930
Accrued expenses (Note 44)	1,909,315,871	-	-	-	1,909,315,871	1,909,315,871
Total	9,185,321,660	4,858,555,787	21,759,548,622	43,537,848,911	79,341,274,980	59,321,650,758



50. Capital management

Risk management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The net debts of the Group are as follows:

		31 December 2019	31 December 2018
	Notes		
Net debt			
Time deposits	31	3,159,175,000	3,535,000,000
Cash and cash equivalents	32	3,508,050,288	5,320,116,207
Long-term borrowings - payable within one year	38.8	(2,436,219,781)	(3,162,757,425)
Long-term borrowings - payable after one year	38.8	(47,818,857,281)	(52,209,100,088)
Lease liability - payable within one year	40.2,40.3	(208,480,827)	(22,315,272)
Lease liability - payable after one year	40.2,40.3	(1,884,091,748)	(5,801,740)
Net debt		(45,680,424,349)	(46,544,858,318)



50 Capital management (continued)

Net debt reconciliation

The movement in net debt is as follows:

	Notes	Other assets		Long-term borrowings - payable within one year (Note 38.8)
		Time deposits (Note 31)	Cash and cash equivalents (Note 32)	
1 January 2018		2,240,000,000	4,281,744,159	(3,195,086,817)
Cash flows for the year		1,295,000,000	1,038,372,048	32,329,392
31 December 2018		3,535,000,000	5,320,116,207	(3,162,757,425)
IFRS 16 adjustments:				
Initial recognition of lease liability	40	-	-	-
Sub-total		3,535,000,000	5,320,116,207	(3,162,757,425)
Additions during the year	40	-	-	-
Adjustment	40	-	-	-
Addition through business combination	5	-	-	-
Conversion of long-term borrowings to equity		-	-	-
Cash flows for the year		(375,825,000)	(1,812,065,919)	726,537,644
31 December 2019		3,159,175,000	3,508,050,288	(2,436,219,781)

Liabilities from financing activities				
	Long-term borrowings - payable after one year (Note 38.8)	Finance lease obligation - payable within one year (Note 40.1)	Finance lease obligation - payable after one year (Note 40.1)	Total
	(51,491,295,630)	(37,263,966)	(28,117,012)	(48,230,019,266)
	(717,804,458)	14,948,694	22,315,272	1,685,160,948
	(52,209,100,088)	(22,315,272)	(5,801,740)	(46,544,858,318)
	-	-	(2,162,854,688)	(2,162,854,688)
	(52,209,100,088)	(22,315,272)	(2,168,656,428)	(48,707,713,006)
	-	-	(115,823,252)	(115,823,252)
	-	-	10,022,458	10,022,458
	(383,402,238)	-	-	(383,402,238)
	2,986,387,500	-	-	2,986,387,500
	1,787,257,545	(186,165,555)	390,365,474	530,104,189
	(47,818,857,281)	(208,480,827)	(1,884,091,748)	(45,680,424,349)



50 Capital management (continued)

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

“Long-term borrowings divided by total equity and long-term borrowings (as shown in the consolidated statement of financial position, including non-controlling interests).”

The gearing ratios, in accordance with the financial covenants pertaining to the long-term borrowings (Note 38.1), as at the end of the year were as follows:

	Notes	31 December 2019	31 December 2018
Long term borrowings	38.8	50,255,077,062	55,371,857,513
Total equity		38,392,932,765	36,694,426,248
Total equity and net debt		88,648,009,827	92,066,283,761
Debt to equity ratio		0.56	0.60

51. Financial assets and financial liabilities

The Group holds the following classes of financial instruments:

	Notes	Amortised cost	FVTPL	Total
Financial assets				
As at 31 December 2019				
Other investments	25	43,185,000	-	43,185,000
Trade and other receivable (less VAT and employees' home ownership program receivables)	30	1,443,525,275	1,438,265,963	2,881,791,238
Time deposits	31	3,186,788,848	-	3,186,788,848
Cash and cash equivalents	32	3,604,896,076	-	3,604,896,076
Total		8,278,395,199	1,438,265,963	9,716,661,162
As at 31 December 2018				
Other investments	25	47,850,000	-	47,850,000
Due from joint venture partner	27	36,686,041	-	36,686,041
Trade and other receivable (less VAT and employees' home ownership program receivables)	30	730,552,884	1,510,704,570	2,241,257,454
Time deposits	31	3,556,910,113	-	3,556,910,113
Cash and cash equivalents	32	5,393,162,064	-	5,393,162,064



Total	9,765,161,102	1,510,704,570	11,275,865,672

51 Financial assets and financial liabilities (continued)

		31 December	31 December
	Notes	2019	2018
Financial liabilities measured at amortised cost			
Long-term borrowings	38	49,845,084,257	54,839,306,269
Lease liability	40	2,092,572,575	28,117,012
Projects, trade and other payables	43	3,338,374,433	2,516,955,930
Accrued expenses	44	2,171,278,361	1,909,315,871
Total		57,447,309,626	59,293,695,082

Long-term borrowings are initially recognised at their fair value (being proceeds received, net of eligible transaction costs incurred) if any. Subsequent to the initial recognition long-term borrowings are measured at amortised cost using the effective interest rate method. The fair value measurement hierarchy, on a non-recurring basis for liabilities, is Level 3 – significant unobservable inputs.

52. Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management believes that the fair values of the Group's financial assets and liabilities are not materially different from their carrying values.

Financial instruments are carried at fair value, using the following different levels of valuation methods:

- Level 1 -** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 -** inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 -** inputs are unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The fair value of trade receivables carried at FVTPL are valued using valuation techniques, which employ the use of market observable inputs. The valuation techniques incorporate various inputs including the credit quality of counterparties and forward rate curves of the underlying commodity. As at 31 December 2019, the marked-to-market value of provisionally priced trade receivables is net of a credit valuation adjustment attributable to customer default risk. The changes in counterparty credit risk had no material effect on financial instruments recognised at fair value.



The table below presents the financial assets and financial liabilities at their fair values as at 31 December 2019 and 31 December 2018 based on the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
As at 31 December 2019				
Financial assets				
Trade receivables	-	1,438,265,963	-	1,438,265,963
Financial liabilities				
Derivative financial instruments	-	236,723,783	-	236,723,783
Non-controlling interest put options	-	-	78,900,805	78,900,805
Total	-	236,723,783	78,900,805	315,624,588
As at 31 December 2018				
Financial assets				
Trade receivables	-	1,510,704,570	-	1,510,704,570
Financial liabilities				
Derivative financial instruments	-	28,888,908	-	28,888,908

53. Events after the reporting date

No events have arisen subsequent to 31 December 2019 and before the date of signing the independent auditor's report, that could have a significant effect on the consolidated financial statements as at 31 December 2019.

54. Comparative figures

Certain comparative figures of the previous year have been reclassified, wherever necessary, to conform with the current year's presentation. Such reclassifications did not affect either the net worth or the net profit of the Group for the previous year.

55. Assets held and liabilities incurred under fiduciary administration

On 6 January 2013 MIC, a wholly owned subsidiary of Ma'aden, received an amount of USD 140 million (in a fiduciary capacity) from the Ministry of Finance of the Kingdom of Saudi Arabia, in accordance with the Council of Ministers' Resolution No 87, dated 28 Rabi ul Awal 1433H (corresponding to 20 February 2012), for the purpose of establishing an industrial city in the Northern Borders Province, by the name of "Wa'ad Al-Shamal City for Mining Industries". The aggregate amount represents part payment of the following two amounts approved by the Council of Ministers:

- USD 500 million for the design and construction of the basic infrastructure and required utilities of the industrial city, and
- USD 200 million for the design and construction of the housing and required social facilities for the proposed industrial city.

In 2014, an additional amount of USD 250 million has been received and deposited in a separate bank account that does not form part of MIC's available cash resources and has been accounted for in its own standalone accounting records and has not been integrated with MIC's accounting records.

In 2016, the remaining amount of USD 310 million was received. The amounts can only be utilised for the designated purpose in accordance with the Council of Ministers Resolution and replenished based on the presentation of supporting documents for the expenditures incurred, in accordance with the applicable Governments Regulations.

As of 31 December 2019, total net assets of the project amounted to SAR 2,625,000,000 (31 December 2018: SAR 2,625,000,000).



56. Detailed information about the subsidiaries and joint ventures

Subsidiaries	Nature of business
MGBM	Gold mining
MIC	Manage and develop infrastructure projects
IMC	Kaolin, low grade bauxite and magnesite mining
MFC	Phosphate mining and production of urea, phosphate and potassium fertilizer
MMDC	Phosphate fertilizer distribution
MRC	Aluminium sheets for can body and lids and automotive heat treated and non-heat treated sheet
MAC	Aluminium ingots, T-shape ingots, slabs and billets
MBAC	Bauxite mining and refining
MPC	Phosphate mining and fertilizer producer
MWSPC	Phosphate mining and fertilizer producer
Sub-total	
Joint ventures	
SAMAPCO	Production of concentrated caustic soda and ethylene dichloride
MBCC	Production of copper and associated minerals
Sub-total	
Total	

All the subsidiaries and joint ventures listed above are incorporated in the Kingdom of Saudi Arabia except as mentioned in Note 2.



Issued and paid-up share capital		Effective group % interest		Cost of investment by parent company	
December 31	December 31	December 31	December 31	December 31	December 31
2019	2018	2019	2018	2019	2018
867,000,000	867,000,000	100	100	867,000,000	867,000,000
500,000	500,000	100	100	500,000	500,000
344,855,200	344,855,200	100	100	344,855,200	344,855,200
1,000,000	-	100	-	1,000,000	-
1,000,000	-	100	-	1,000,000	-
2,477,371,807	2,477,371,807	100	74.9	2,477,371,807	1,855,551,483
6,573,750,000	6,573,750,000	74.9	74.9	4,923,738,750	4,923,738,750
4,828,464,412	4,828,464,412	74.9	74.9	3,616,519,845	3,616,519,845
6,208,480,000	6,208,480,000	70	70	4,345,936,000	4,345,936,000
7,942,501,875	7,942,501,875	60	60	4,765,501,125	4,765,501,125
				21,342,422,727	20,719,602,403
900,000,000	900,000,000	50	50	450,000,000	450,000,000
404,965,291	404,965,291	50	50	202,482,646	202,482,646
				652,482,646	652,482,646
				21,994,905,373	21,372,085,049





Ma'aden
Annual Report
2019